



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC*

Tuesday, October 27, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[15-212](#) Reminders, Calendars and General Correspondence

Attachments: [Correspondence](#)

V. CEREMONIAL MATTERS

[15-204](#) Proclamations - Veterans' Day and Extra Mile Day

Attachments: [Veterans Day Proclamation](#)
[Extra Mile Day Proclamation](#)

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. CONSENT AGENDA**

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [15-206](#) Approve the minutes of the October 13, 2015 Assembly meeting
Attachments: [Consent and Minutes](#)
- B** [RES 15-20](#) In support of the Sitka Trail Works, Inc. grant application to the State of Alaska Recreational Trails Program to repair damage to the Mosquito Cove Trail
Attachments: [Resolution 2015-20](#)
- C** [RES 15-21](#) Requesting the Alaska Marine Highway System maintain core service levels, including equitable summer 2016 service for Sitka
Attachments: [Resolution 2015-21](#)
- D** [ORD 15-52](#) Amending the official Sitka Zoning Map to rezone Tract M of U.S. Survey 3555 from GI (General Island) to LI (Large Island) (first reading)
Attachments: [Ordinance 2015-52](#)
- E** [ORD 15-53](#) Adjusting the FY16 Budget (first reading)
Attachments: [Ordinance 2015-53](#)
- F** [ORD 15-54](#) Repealing Sitka General Code at Chapter 2.66 entitled "Tourism Commission" (first reading)
Attachments: [Ordinance 2015-54](#)
[Roster and Ordinances](#)
- G** [ORD 15-55](#) Repealing Sitka General Code at Chapter 2.32 entitled "Strategic Planning Commission" (first reading)
Attachments: [Ordinance 2015-55](#)
[Reenacting ordinance](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- H [15-207](#) Reappoint Dan Jones to a two-year term on the Gary Paxton Industrial Park Board, appoint Eric Skousen to a three-year term on the Port and Harbors Commission, and appoint Tamie Parker Song to an unexpired term on the Planning Commission.

Attachments: [Motion](#)

[Jones application](#)

[Skousen application](#)

[Parker Song application](#)

XI. **UNFINISHED BUSINESS:**

- I [ORD 15-49](#) Amending Sitka General Code Chapter 4.06 "Proceeds from Raw Water Sale Contracts" by modifying section 4.06.102 "Reimbursing expenditures from other funds relating to the sale of raw water, maintenance of raw water distribution infrastructure, or retention of water rights", section 4.06.103 "Expenditure of net assets of the raw water sale fund", and section 4.06.104 "Allocation of revenues from sales of raw water at Gary Paxton Industrial Park"

Attachments: [Ordinance 2015-49](#)

- J [ORD 15-50](#) Amending the penalty section of Sitka General Code at Title 8, Chapter 4, entitled "Animal Protection and Control" that would allow individuals to dispose of animal control violations through a bailable fine schedule or have the option to appear before a judicial officer in a court proceeding

Attachments: [Ordinance 2015-50](#)

- K [ORD 15-51](#) Amending Sitka General Code Title 22 Zoning to allow conditional use permits to be approved by the Planning Commission with appeal rights to the Assembly acting as the Board of Adjustment

Attachments: [Ordinance 2015-51](#)

XII. **NEW BUSINESS:**

- L [15-208](#) Approve Amendment No. 6 to the Alaska Bulk Water, Inc. bulk water purchase agreement

Attachments: [Motion Amendment No 6](#)

[Memo from GPIIP Director](#)

[ABWI Correspondence](#)

[Amendment No. 6](#)

[Original purchase agreement and amendments](#)

[Sept 24 draft minutes](#)

- M** [15-211](#) Approve a total authorized budget of \$1,500,000 for all costs related to the disaster declaration work and authorize the Administrator to award all bids and execute all contracts necessary to complete the remaining disaster remediation work with a total not to exceed budget of \$1,500,000
Attachments: [Motion and Memo](#)
- N** [15-210](#) Award a contract to Alaska Pacific Environmental Services (APES) for all aspects of the Solid Waste Management Services and authorize the Municipal Administrator to execute a contract with Alaska Pacific Environmental Services
Attachments: [Solid Waste Management Services](#)
- O** [15-205](#) Approve Mayor McConnell signing a coalition letter to President Barack Obama in support of continued climate action
Attachments: [Coalition Letter](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

*Sara Peterson, CMC
Municipal Clerk
Publish: October 23*



Legislation Details

File #: 15-212 **Version:** 1 **Name:**
Type: Correspondence **Status:** AGENDA READY
File created: 10/22/2015 **In control:** City and Borough Assembly
On agenda: 10/27/2015 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Correspondence](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, October 27	Regular Meeting	6:00 PM
Tuesday, November 10	Regular Meeting	6:00 PM
Tuesday, November 24	Regular Meeting	6:00 PM

****Assembly Meetings are being held at UAS – Room 229****



Assembly Calendar

[2014](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2016](#)

October 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Sep	28	29	30	1 Oct	2	3
Eisenbeisz	Eisenbeisz 6:00pm Citizens' Taskforce	Eisenbeisz 1:00pm SCVB Board	Eisenbeisz	Eisenbeisz 12:00pm - 1:30pm SEDA Board Meeting	Eisenbeisz	Eisenbeisz
4	5	6	7	8	9	10
Eisenbeisz	Eisenbeisz	Eisenbeisz Municipal Election Day 7:00pm Planning	Eisenbeisz 7:00pm Library Board	Eisenbeisz 12:00pm LEPC 12:00pm <u>Parks & Rec</u>	Eisenbeisz	
11	12	13	14	15	16	17
		12:00pm Health Needs & Human Services Commission 6:00pm <u>Reg Assembly Mtg</u>	6:00pm Historic Preservation			Miyasato
18	19	20	21	22	23	24
Miyasato McConnell Alaska Day	Miyasato McConnell Alaska Day -City Offices Closed	Miyasato McConnell 12:00pm <u>Tree/Landscape</u> 6:00pm Worksession with School Board - FY17 Leg. Priorities (Meet at School District Office) 6:30pm Marijuana Advisory Committee 7:00pm <u>Planning</u>	Miyasato McConnell	Miyasato McConnell	Miyasato McConnell	Miyasato
25	26	27	28	29	30	31 Nov
	6:00pm Citizens' Taskforce	1:00pm SCVB Board 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission - Fire Hall			

Assembly Calendar

[2014](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2016](#)

November 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<u>1</u> Nov	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
		7:00pm Planning	7:00pm Library Board	12:00pm - 1:30pm SEDA Board Meeting		
<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
	6:00pm Citizens' Taskforce	12:00pm Health Needs & Human Services Commission 6:00pm Reg Assembly Mtg	6:00pm Historic Preservation	12:00pm LEPC 12:00pm Parks & Rec		
<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>
Potrzuski	McConnell Potrzuski	McConnell Potrzuski 12:00pm Tree/Landscape 7:00pm Planning	McConnell Potrzuski	McConnell Potrzuski	McConnell	
<u>22</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>
	6:00pm Citizens' Taskforce	1:00pm SCVB Board 6:00pm Regular Assembly Mtg	6:00pm Police and Fire Commission - Fire Hall	Thanksgiving		
<u>29</u>	<u>30</u>	<u>1</u> Dec	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
		7:00pm Planning	7:00pm Library Board	12:00pm - 1:30pm SEDA Board Meeting		

Service Award

The City and Borough of Sitka awards to

Dr. Paul Bahna

this expression of grateful acknowledgment for your almost 2 years of valued service rendered in the public interest while serving on the Health Needs and Human Services Commission. Thank you!

Signed and sealed this 16th day of October 2015

Attest:

Sara Peterson

Sara Peterson, CMC
Municipal Clerk





Legislation Details

File #: 15-204 Version: 1 Name:

Type: Ceremonial Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Proclamations - Veterans' Day and Extra Mile Day

Sponsors:

Indexes:

Code sections:

Attachments: [Veterans Day Proclamation](#)
[Extra Mile Day Proclamation](#)

Date	Ver.	Action By	Action	Result
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OFFICE OF THE MAYOR
City & Borough of Sitka

Proclamation

Honoring Veteran's Day

WHEREAS, America is the land of freedom, preserved and protected willingly and freely by citizen soldiers; and

WHEREAS, through generations, their courage has allowed our Republic to flourish; and

WHEREAS, a Nation acknowledges its profound debt of gratitude to those who have served and died in war; and

WHEREAS, with respect for and in recognition of the sacrifices and contributions of those who serve in the U.S. military whom are deserving of commemoration, honor, and recognition.

NOW, THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska, does hereby call upon the citizens of Sitka to observe the 11th day of November, 2015 as

Veteran's Day

AND commend, honor, and recognize the valor and sacrifices of our veterans for defending and protecting our country, our freedom, and our way of life.

Signed and sealed on this 27th day of October, 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



OFFICE OF THE MAYOR
City & Borough of Sitka

Proclamation

Extra Mile Day

WHEREAS, Sitka, Alaska is a community that acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively "go the extra mile" in personal effort, volunteerism, and service; and

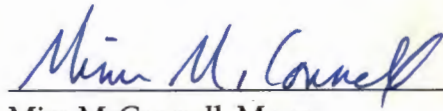
WHEREAS, Sitka, Alaska is a community that encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and


WHEREAS, Sitka, Alaska is a community that chooses to shine a light on and celebrate individuals and organizations within its community who "go the extra mile" in order to make a difference and lift up fellow members of their community; and

WHEREAS, Sitka, Alaska acknowledges the mission of the Extra Mile America to create 550 Extra Mile cities in America and is proud to support "Extra Mile Day" on November 1, 2015.

NOW, THEREFORE, BE IT RESOLVED the Assembly of the City and Borough of Sitka, Alaska does hereby proclaim November 1, 2015 to be **EXTRA MILE DAY** and urges each individual in our community to take time on this day to not only "go the extra mile" in his or her own life, but to also acknowledge all those around who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

Signed and sealed this 27th day of October, 2015.


Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk





Legislation Details

File #: 15-206 Version: 1 Name:
Type: Minutes Status: AGENDA READY
File created: 10/20/2015 In control: City and Borough Assembly
On agenda: 10/27/2015 Final action:
Title: Approve the minutes of the October 13, 2015 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, C, D, E, F & G**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the October 13, 2015 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC

Tuesday, October 13, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Assembly member Putz presided through Unfinished Business. Assembly member Potrzuski was sworn in at the beginning of New Business and presided through the remainder of the meeting.

Present: 8 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, Putz, and Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

15-203 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

15-189 Service Award for Police and Fire Commissioner Joseph Reeves

Mayor McConnell presented a Service Award to Joseph Reeves for 8 years of service on the Police and Fire Commission.

VI. **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)**

None.

VII. PERSONS TO BE HEARD

Paula Martin, University of Alaska Southeast Sitka Campus Director, introduced herself and looked forward to a continued partnership with the City and Borough of Sitka.

Pamela Ash expressed confusion over why she was paying sales tax on her lot rental.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Welcomed the Norwegian Jewel at the Old Sitka Dock, attended the Domestic Violence event at Crescent Harbor shelter, attended the Seafood Innovation Summit put on by SEDA, attended a meeting at City Hall to discuss the possibility of a Russian performing group traveling to Sitka, attended the Sitka Health Summit, and a MAPP survey results presentation at Sitka Community Hospital.

Administrator - Spoke to proposed reductions in Alaska Marine Highway System services, reviewed the Sitka Health Summit projects, spoke of a Russian delegation coming to Sitka for Alaska Day, reported on a recent trip to California to meet with Representatives regarding bulk water shipments and the existing barriers, and noted State representatives were in Sitka to assist and review bid paperwork regarding debris removal for the August landslide events. Jay Sweeney, Chief Finance and Administrative Officer, informed the cost incurred to date from clean up associated with the landslide events and diesel spill was \$572,366. Approximately \$479,000 was eligible for State reimbursement. He anticipated costs to exceed \$1,000,000 and noted costs could easily climb to \$2,000,000. Michael Harmon, Public Works Director, summarized plans for debris clean up efforts.

Attorney - Reported on a conference she attended last week, announced on October 16 at the Legislative Information Office there would be an opportunity for citizens to comment on the recently proposed State marijuana regulations.

Liaisons - Hunter announced the Port and Harbors Commission had vacant seats and urged interested citizens to apply, Miyasato informed there was an opportunity to visit the Library construction site during the week and congratulated the Sitka High School Wolves Boys Cross Country Team on their state championship. Guevin reported on the Health Needs and Human Services Commission meeting and School Board meeting.

IX. CONSENT AGENDA

A 15-190 Approve the minutes of the September 22 and 24 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B 15-192 Award a contract in the amount of \$155,622 to Coastal Excavation, LLC for completion of the Lake Street Storm Drain Rehabilitation project

Eisenbeisz thanked staff for the inclusion of photos demonstrating the corrosion damage.

A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Non-voting: 1 - Potruski

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C 15-191** Appoint seven members to the Marijuana Advisory Committee - applicants are: 1) Darrell Windsor, 2) Don Jones, 3) Myron Fribush, 4) Levi Albertson, 5) Jeff Arndt, 6) Pamela Ash, 7) Jacklynn Barmoy, 8) Aaron Bean, 9) Joseph D'Arienzo, 10) Ronald Dick, 11) Andrew Hames, 12) Roberta Leichty, 13) Debra Militello, 14) Kitty Sopow, 15) Anna Michelle Turner, and 16) Ann Wilkinson

Eisenbeisz looked forward to the Committee forming. Hunter thanked those that had applied.

A motion was made by Putz to appoint Darrell Windsor (Planning Commission member), Don Jones (Police and Fire Commission member), and Myron Fribush (Health Needs and Human Services Commission member) to the Marijuana Advisory Committee. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Non-voting: 1 - Potruski

A vote of the Assembly was taken for the four remaining seats. The top four vote getters were: Levi Albertson, Joseph D'Arienzo, Andrew Hames, and Kitty Sopow.

- D 15-202** Reappoint Randy Hughey to a three-year term on the Planning Commission

Mayor McConnell recused herself citing a conflict of interest as Executive Director of Sitka Community Development Corporation. Hunter thanked Hughey for his willingness to serve a three-year term.

A motion was made by Putz that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Recused: 1 - McConnell

Non-voting: 1 - Potruski

XI. UNFINISHED BUSINESS:

- E ORD 15-43** Making a supplemental appropriation to the FY16 budget per section 11.10 (a) of the Home Rule Charter of the City and Borough of Sitka (*second reading - first reading of the emergency ordinance was approved August 25*)

A motion was made by Swanson that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Non-voting: 1 - Potrzuski

- F ORD 15-47** Authorizing the lease of approximately 16,436 feet of submerged tidelands in Alaska Tidelands Survey 1189 and 1559 Tract A

Eisenbeisz stated the lease rate was too low and wondered if it would be worthwhile to look at the restructuring of lease rates. Assessor Wendy Lawrence indicated lease rates were typically 8-10% which was standard practice across the State.

A motion was made by Putz that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

Non-voting: 1 - Potrzuski

- G ORD 15-48** Authorizing the lease of approximately 8,832 feet of tidelands in Alaska Tidelands Survey 1189

A motion was made by Miyasato that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

Non-voting: 1 - Potrzuski

- H 15-193** Approve the Municipal Clerk's certification of election

A motion was made by Putz to formally accept the Certification of Election for the October 6, 2015 Regular Municipal Election according to the results set forth in the attached election certification prepared by the Municipal Clerk and request that the official tally be included in the minutes as part of the permanent record. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Non-voting: 1 - Potrzuski

- I 15-194** Recognize outgoing Assembly member Michelle Putz

Mayor McConnell presented a service award to outgoing Assembly member Putz. Putz thanked staff for their work, the Assembly for their trust, and the community for its support. Putz urged citizens to become involved in local government.

XII. NEW BUSINESS:

- J 15-197** Swearing in of the newly elected officials

Matt Hunter and Bob Potrzuski were sworn in for three-year terms on the Assembly.

K 15-198

Board of Adjustment: Approve a conditional use permit request filed by Deanna Moore for a bed and breakfast at 703 Biorka Street

A motion was made by Hunter to CONVENE as the Board of Adjustment. The motion PASSED by unanimous consent.

Mike Scarcelli, Senior Planner, gave a summary of the bed and breakfast conditional use permit request filed by Deanna Moore. Scarcelli noted the applicant received an approved conditional use permit for a short-term rental in August. Scarcelli added the short-term rental would be operated in the summer months and the bed and breakfast would operate in the winter.

A motion was made by Hunter to APPROVE a conditional use permit request filed by Deanna Moore for a bed and breakfast at 703 Biorka Street, and further, adopt the findings and conditions as recommended by the Planning Commission and request that they are listed in their entirety as they appear attached hereto as part of the official record.

Required Findings:

- 1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;**
 - b. Adversely affect the established character of the surrounding vicinity; nor**
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located;****
- 2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation;**
- 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced;**
- 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;**
- 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services; and**
- 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.**

General approval criteria are as follows:

- 1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;**
- 2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;**
- 3. Lot or tract characteristics, including lot size, yard requirements, lot**

coverage and height of structures;

4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions:

1. Contingent upon a completed satisfactory life safety inspection;

2. The facility shall be operated consistent with the application and plans that were submitted with the request;

3. The facility shall be operated in accordance with the narrative that was submitted with the application;

4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period;

5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.

6. Failure to comply with any of the conditions may result in revocation of the conditional use permit;

7. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit; and

8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Non-voting: 1 - Putz

L 15-199

Board of Adjustment: Approve a conditional use permit request filed by Peter Thielke for a short-term rental at 722 Biorka Street

Senior Planner, Mike Scarcelli, provided a summary of the short-term rental request filed for 722 Biorka Street. Guevin commented that the granting of the short-term rental permit would take a long-term rental off the market.

A motion was made by Hunter to APPROVE a conditional use permit request filed by Peter Thielke for a short-term rental at 722 Biorka Street, and further, adopt the findings and conditions as recommended by the Planning Commission and request that they are listed in their entirety as they appear attached hereto as part of the official record.

Required Findings:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:

- a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation;
 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
 6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the request.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby

properties.

6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

7. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit; and

8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Non-voting: 1 - Putz

A motion was made by Hunter to RECONVENE as the Assembly in regular session. The motion PASSED by unanimous consent.

M ORD 15-49

Amending Sitka General Code Chapter 4.06 "Proceeds from Raw Water Sale Contracts" by modifying section 4.06.102 "Reimbursing expenditures from other funds relating to the sale of raw water, maintenance of raw water distribution infrastructure, or retention of water rights", section 4.06.103 "Expenditure of net assets of the raw water sale fund", and section 4.06.104 "Allocation of revenues from sales of raw water at Gary Paxton Industrial Park"

Municipal Administrator Mark Gorman explained the streamlined process and indicated transfers would occur by way of a budget adjustment ordinance.

A motion was made by Swanson to APPROVE this Ordinance on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Non-voting: 1 - Putz

N ORD 15-50

Amending the penalty section of Sitka General Code at Title 8, Chapter 4, entitled "Animal Protection and Control" that would allow individuals to dispose of animal control violations through a bailable fine schedule or have the option to appear before a judicial officer in a court proceeding

A motion was made by Miyasato to APPROVE this Ordinance on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Non-voting: 1 - Putz

O ORD 15-51

Amending Sitka General Code Title 22 Zoning to allow conditional use permits to be approved by the Planning Commission with appeal rights to the Assembly acting as the Board of Adjustment

Hunter thanked staff for bringing this ordinance forward and noted either party would still have the right to appeal to the Assembly. Planning and Community Development Director, Maegan Bosak, explained the intent of the code revision was to allow for a

concise, yet thorough, public review of conditional use permits at the Planning Commission level.

A motion was made by Swanson to APPROVE this Ordinance on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Non-voting: 1 - Putz

P 15-196 Update from the Citizens' Taskforce - possible discussion/direction from the Assembly

Guevin reported on the recent meetings of the Taskforce and shared its four goals: 1) recommend what core services CBS must maintain, 2) determine what funding is required to maintain these core services including depreciation and capital improvements, 3) recommend what revenue streams and fees are most equitable and sustainable in order to maintain these services into the future, and, 4), educate and engage citizens as to the financial challenges and seek their ideas for solutions. Hunter offered a future worksession with the Assembly would be helpful. Public engagement was noted to be key in the success of the Taskforce.

Q 15-195 Discussion/Direction on the FY17 City and Borough of Sitka Legislative Priorities

The Assembly thanked Planning and Community Development Director, Maegan Bosak, for her work and were complimentary of the overall content and layout. Suggested revisions to be made were: clarification on fuel and alcohol taxes, a paragraph to be added on transboundary issues, further definition of funding state parks, and the education piece placed in a more prominent spot in the document.

R 15-201 Discussion/Direction on dissolving the Tourism Commission and Strategic Planning Commission

Municipal Administrator Mark Gorman noted the two commissions had been dormant for the past two years. Assembly members offered their opinions on dissolving the commissions. Some felt it may be premature to deactivate the Tourism Commission given the recent changes with the Sitka Convention and Visitors Bureau. Others offered a Tourism Taskforce may be a more logical approach on an as needed basis. Staff was directed to bring two ordinances forward to repeal the commissions.

S 15-200 Assignments: Deputy Mayor, Vice-Deputy Mayor and Assembly Liaisons

Matt Hunter was nominated and appointed as Deputy Mayor. Ben Miyasato was nominated and appointed as Vice Deputy Mayor.

The following liaison appointments were made:

- Citizens' Taskforce - Guevin**
- Gary Paxton Industrial Park Board - Eisenbeisz**
- Health Needs and Human Services Commission - Guevin**
- Historic Preservation Commission - Swanson**
- Sitka Community Hospital Board of Directors- Eisenbeisz**
- Investment Committee - McConnell**
- Library Commission - Miyasato**

Local Emergency Planning Committee - McConnell
Marijuana Advisory Committee - Eisenbeisz and Potrzuski
Parks & Recreation Committee - Miyasato
Police & Fire Commission - Swanson
Port & Harbors Commission - Hunter
Tree & Landscape Committee - Guevin
SEDA - McConnell
Sitka Tribe of Alaska - Potrzuski
School Board - Potrzuski

Animal Hearing Board, Building Department Appeals Board, Employment Relations Board, Planning Commission, Strategic Planning Commission, and Tourism Commission were not assigned liaisons for various reasons. Hunter suggested the Boards, Commissions, and Committees that currently meet during the day consider meeting at night to allow for greater participation among citizens who would like to be a member but are unable to meet during the day.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:32pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



Legislation Details

File #: RES 15-20 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: In support of the Sitka Trail Works, Inc. grant application to the State of Alaska Recreational Trails Program to repair damage to the Mosquito Cove Trail

Sponsors:

Indexes:

Code sections:

Attachments: [Resolution 2015-20](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2015-20 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2015-20

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA IN SUPPORT OF THE SITKA TRAIL WORKS, INC. GRANT APPLICATION TO THE STATE OF ALASKA RECREATIONAL TRAILS PROGRAM TO REPAIR DAMAGE TO THE MOSQUITO COVE TRAIL

WHEREAS, The Mosquito Cove trail is of high priority to the community of Sitka for reasons of recreation, physical fitness and economic diversification in activities for visitors; and

WHEREAS, this project was developed according to the 2003 Sitka Trail Plan to which the City and Borough of Sitka and US Forest Service and Sitka Trail Works are plan partners; and

WHEREAS, Alaska State Parks relinquished management of the Old Sitka State Historic Park trails as of July 1, 2015 and has no trail maintenance planned; and

WHEREAS, multiple storm events caused damage and erosion of the trail beyond the scope of the annual trail maintenance; and

WHEREAS, the USDA FS Sitka Ranger District is developing a plan with Sitka Trail Works to repair the trail to make it more sustainable into the future; and

WHEREAS, these repairs will restore the trail to safe condition for public use; and

WHEREAS, the project match requirement will be met by Sitka Trail Works and the US Forest Service.

THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska, affirms and supports the grant application from Sitka Trail Works to the State of Alaska Recreational Trails Program for \$50,000 maximum in grant funding to repair the Mosquito Cove Trail.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 27th day of October 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



Legislation Details

File #: RES 15-21 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 10/21/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Requesting the Alaska Marine Highway System maintain core service levels, including equitable summer 2016 service for Sitka

Sponsors:

Indexes:

Code sections:

Attachments: [Resolution 2015-21](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2015-21 on first and final reading.

CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2015-21

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA REQUESTING
THE ALASKA MARINE HIGHWAY SYSTEM MAINTAIN CORE SERVICE LEVELS,
INCLUDING EQUITABLE SUMMER 2016 SERVICE FOR SITKA

WHEREAS, Southeast Alaska coastal communities without access to road systems have depended on the Alaska Marine Highway System for reliable, predictable primary marine transportation service since the creation of AMHS; and

WHEREAS, the Alaska Marine Highway System transports the region’s residents, visitors, food, health care, supplies, equipment, and seafoods, providing critically important transportation and commerce links within the Region and connections to the rest of Alaska and the lower 48; and

WHEREAS, the Alaska Marine Highway System is facing increasing costs and decreasing revenues available to operate the System which are resulting in reduced core service levels in Southeast Alaska specifically the reduction of the proposed Sitka Summer 2016 schedule resulting in only ONE northbound and ONE southbound route per week; and

WHEREAS, the seven-month Sitka Winter schedule has consisted for several years of only ONE northbound sailing and TWO southbounds per week, with the proposed summer schedule reduced even more; and

WHEREAS, AMHS has better alternatives to reduce its budget by re-scheduling vessels that would not restrict core summer service so critical to the economies and citizens of Sitka;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Marine Highway System maintain its essential core service levels to Sitka with at least two northbound and two southbound stops throughout the entire summer season – May through September – and if required modify non-essential vessel schedules to provide equitable AMHS service throughout Southeast Alaska; and

BE IT FURTHER RESOLVED that the Assembly of the City and Borough of Sitka requests a consistent, sustainable core service schedule for Southeast Alaska be developed with input from the Marine Transportation Advisory Board, Southeast Conference, and the local communities which have the greatest stake in maintaining reliable AMHS service levels.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 27th day of October, 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



Legislation Details

File #: ORD 15-52 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Amending the official Sitka Zoning Map to rezone Tract M of U.S. Survey 3555 from GI (General Island) to LI (Large Island) (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-52](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-52 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planning and Community Development Director *NB*
Michael Scarcelli, Senior Planner

Subject: Ordinance 2015-52 Zoning Map Amendment for Robert Juranich at Tract M and Common Area of Galankin Island, US Survey 3555.

Date: October 16, 2015

The Planning Commission is recommending approval of a zoning map amendment, as a condition of a subdivision replat, to rezone Tract M of U.S. Survey 3555 from GI (General Island) to LI (Large Island). The Planning Commission's recommendation was made during their October 6, 2015 meeting on a 5-0 vote.

The 12,607 square foot parcel is located near the middle of Galankin Island, on the northern shore side. This parcel has been called Hacienda Island and at one point was disconnected from Galankin Island and therefore was zoned GI. Tract M is now connected with Galankin Island, which is zoned LI.

The rezoning would create uniform zoning on Galankin Island, which satisfies the intent of the comprehensive plan, zoning code, and creates harmony among existing Galankin Island uses and lots.

The Comprehensive Plan states under section 2.4.5, "To encourage logical growth and development adjacent to existing services and facilities and to discourage discontinuous, leapfrog development and zoning and section 2.4.19.B, "Rezoning may be considered in areas where excessive need exists for conditional uses, variances and/or relief from existing requirements."

The LI Large Island zoning district: "is intended to replace the open rural low density district. Its goals include protecting the residential character of the larger subdivided islands. It is intended to cover islands such Middle Island, Long Island, and Galankin. Islands with seven lots or more may be included in this zone. An objective of this zone is to have developments

swerved by access easements built to a defined standard and to have potential moorage areas defined.”¹

The Planning Department Staff recommend this Zoning Map Amendment. There were no public comments received against, but there was neighbor support for the change.

RECOMMENDED ACTION: Approve the ordinance.

¹ § 22.16.135 LI Large Island District.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-52

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING THE OFFICIAL SITKA ZONING MAP TO REZONE TRACT M OF U.S. SURVEY 3555 FROM GI (GENERAL ISLAND) TO LI (LARGE ISLAND).

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to expand the LI Large Island district from the northerly side in the middle of Galankin Island to include TRACT M OF U.S. Survey 3555. The rezoning is consistent with the goals and policies of the 2007 Sitka Comprehensive Plan and Title 22, section 22.16.135 (Large Island District).

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the official zoning map is amended to rezone Tract M OF U.S. Survey 3555 from GI (General Island) to LI (Large Island) district.

Appendix A is attached showcasing zoning map amendment.

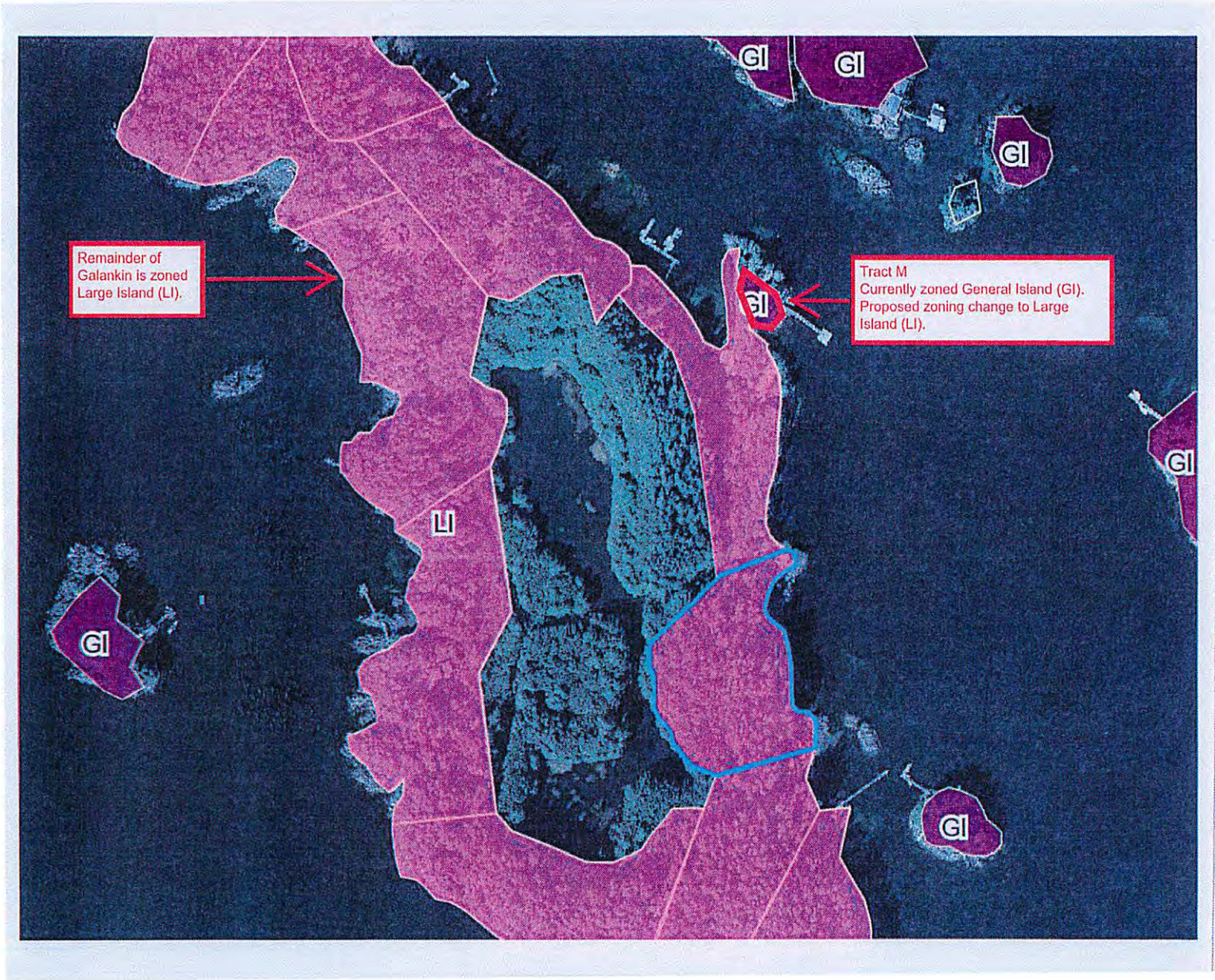
5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of November, 2015.

Mim McConnell, Mayor

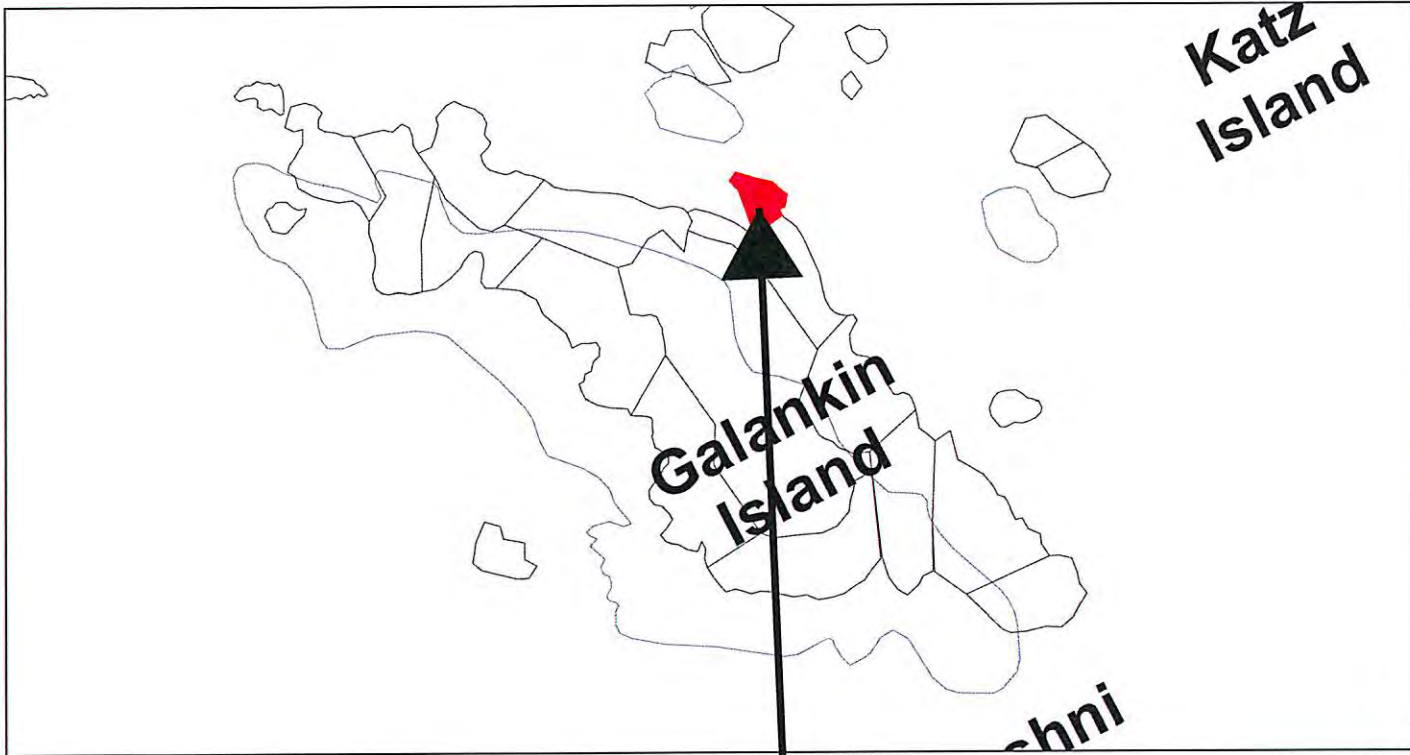
ATTEST:

Sara Peterson, CMC
Municipal Clerk



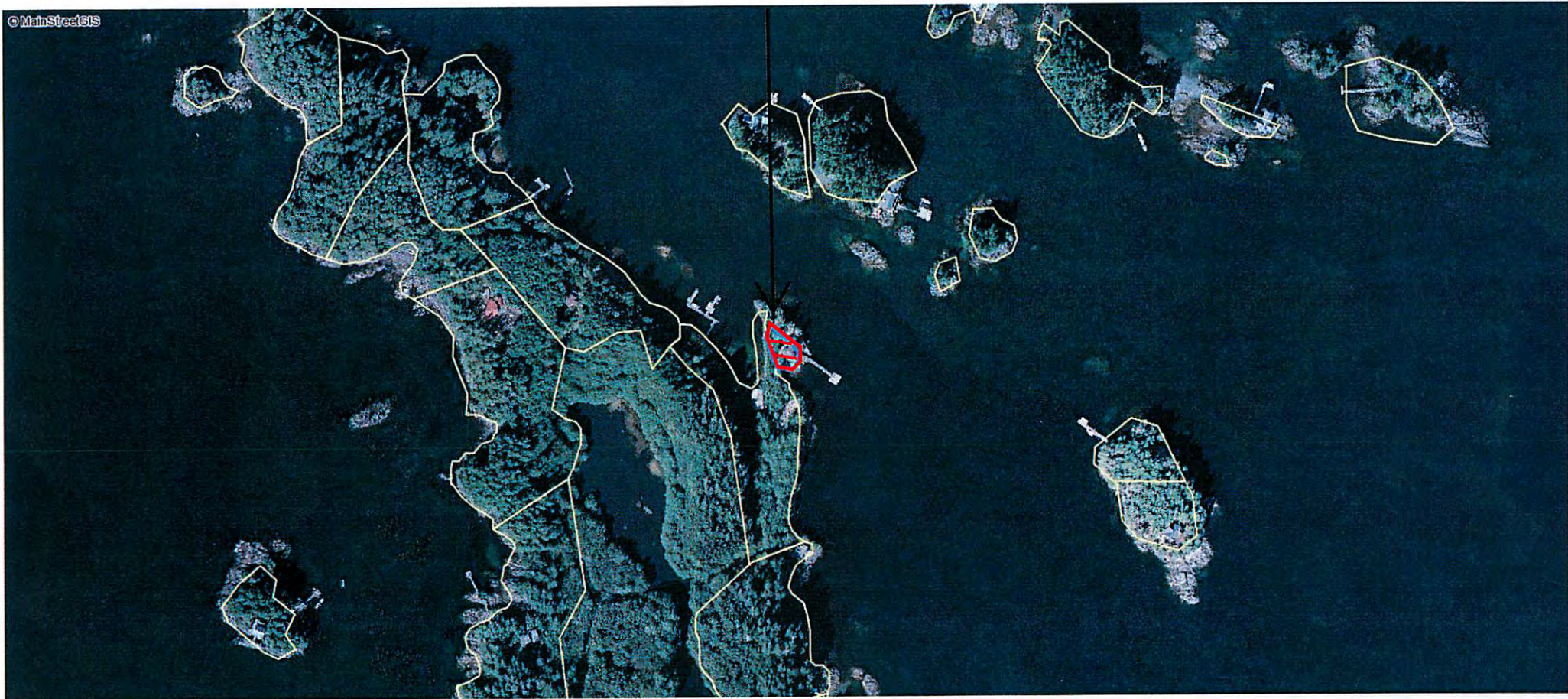
Remainder of Galankin is zoned Large Island (LI).

Tract M
Currently zoned General Island (GI).
Proposed zoning change to Large Island (LI).



Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555

© MainStreetGIS



Robert Juranich

Zoning Map Amendment

Tract M of Galankin Island, USS 3555

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ACCEPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ OWNER _____ (SIGNATURE)
 DATE _____ OWNER _____ (SIGNATURE)
 DATE _____ OWNER _____ (SIGNATURE)

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

**CERTIFICATE OF PAYMENT OF TAXES
 (STATE OF ALASKA)
 (FIRST JUDICIAL DISTRICT)**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF _____

AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE _____

DATED THIS _____ DAY OF _____, AT SITKA, ALASKA

ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ DATED _____, 20____, AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA

DATE _____ CHAIRMAN, PLATTING BOARD

SECRETARY

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF _____

AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.L.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS _____ DAY OF _____, 20____, AT SITKA, ALASKA

FINANCE DIRECTOR
 CITY & BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____, 20____, AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ MAYOR

CITY AND BOROUGH CLERK



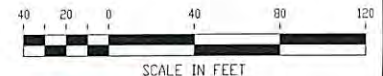
VICINITY MAP
 SCALE 1"=1,000'

LEGEND

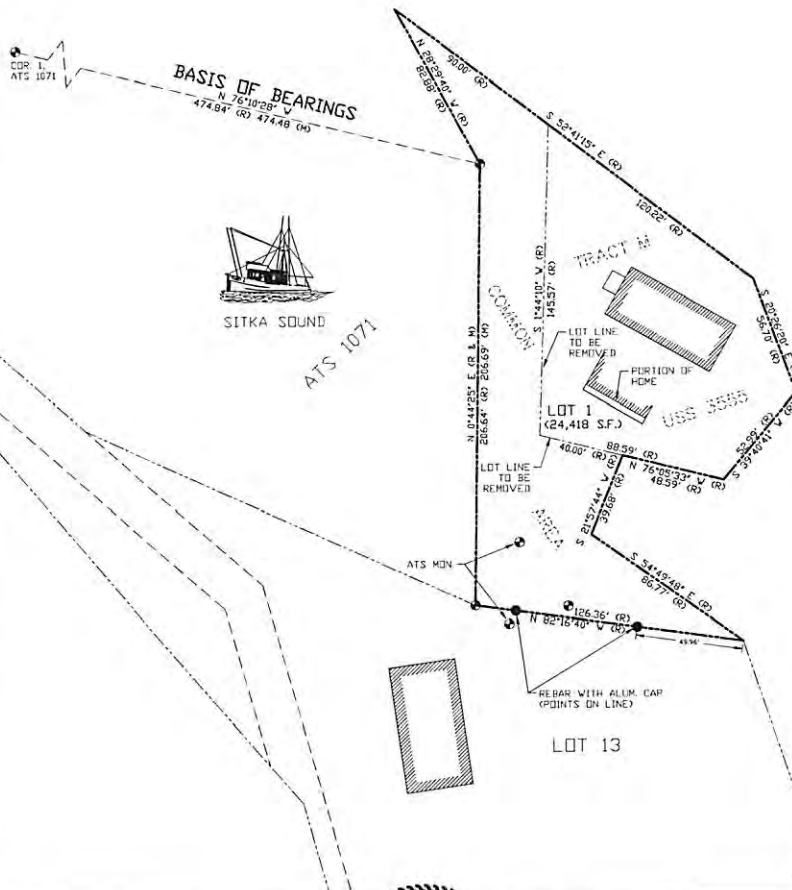
- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

NOTES:

- 1) THE PURPOSE OF THIS PLAT IS TO COMBINE TRACT M, US SURVEY 3555, WITH ADJACENT GALANKIN ISLAND SUBDIVISION COMMON AREA.
- 2) THE BOUNDARY OF TRACT M IS PER THE GALANKIN ISLAND SUBDIVISION, PLAT NO. 82-43, SITKA, ALASKA RECORDING DISTRICT - BY PHIL DAVIS.
- 3) PER THE GALANKIN ISLAND SUBDIVISION PLAT, TRACT M OF US SURVEY 3555 HAS AN EASEMENT FOR ACCESS AND UTILITIES TO THE DOCK ACROSS LOTS 11, 13 AND ADJACENT COMMON AREA.



PRELIMINARY



SITKA SOUND

O'NEILL
 SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700
 FAX: (907) 747-7590
 EMAIL: onelleng@ak.net

BY	DATE	REV.	DESCRIPTION OF CHANGE

RECORD OF REVISIONS



DESIGNED P. O'NEILL
 DRAWN KD/ACAD
 CHECKED ENCL

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN _____ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS IS AT A TRUE AND ACCURATE REPRESENTATION OF THE LAND OTHER

JURANICH SUBDIVISION

TRACT M US SURVEY 3555 AND THE ADJACENT COMMON AREA, GALANKIN ISLAND SUBDIVISION (PLAT NO. 82-43)
 CLIENT: BOB JURANICH

Robert Juranich
 Zoning Map Amendment
 Galankin Island - Tract M of U.S Survey 3555

1 OF 1
 SHEET



Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555



Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
ZONE CHANGE APPLICATION

ZONE MAP AMENDMENT FEE	\$100.00
ZONE TEXT AMENDMENT FEE	\$100.00
Plus current city sales tax	

Applicant's Name: ROBERT JURANICH
Phone Number: 253-709-1439
Mailing Address: 500 LINCOLN ST., R-3 SITKA, AK 99835
Applicant's Signature: [Signature] Date Submitted 9-22-2015

Provide information or data, as necessary, to fully outline the reasons and justifications for the request. Attach additional sheets as necessary.

- For official map amendments, the application shall contain:
1. A legal description of each subject property along with the owner's name, address, and contact person for each subject property;
 2. An analysis showing the public benefit of the proposed amendment;
 3. An analysis showing the proposal's consistency with the Comprehensive Plan;
 4. A map of the area to be rezoned.

LIST SPECIFIC REQUEST: TO CHANGE THE ZONE DESIGNATION OF RE-PLATTED TRACT M FROM GI TO LI.

EXPLANATION OF REQUEST: THE ACQUISITION OF THE "COMMON AREA" AND COMBINING IT WITH TRACT M, "HACIENDA IS", CREATES A PARCEL WITH 2 ZONE DESIGNATIONS. IT IS REQUESTED THAT THE NEW COMBINE PARCEL BE ZONED LI.

After the application and supporting materials has been determined to be complete by the Planning Office, the request will be placed on the next available Planning Commission agenda.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: September 24, 2015

From: Michael Scarcelli, Senior Planner

To: Planning Commission

Re: ZMA 15-07 Zoning Map Amendment of Tract M on Galankin Island to LI

GENERAL INFORMATION

Applicant: Robert Juranich
500 Lincoln Street, B3
Sitka, AK 99835

Property Owner: Same as above

Property Address: see below

Legal Description: Tract M & Common Area
of US Survey 3555 of Galankin
Island Subdivision

Parcel ID Number: 49013000 and 49097000

Size of Existing Lot: Tract M: 12,607 sq. ft.; Common Area: 11,811 sq. ft.; total 24,418 sq. ft.

Zoning: GI/LI

Existing Land Use: Residential/Common Area

Utilities: On site – provided by Owner

Access: Common Boat Dock

Surrounding Land Use: Residential, common space, and Island residential uses

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of Approval for the replat

ATTACHMENTS

Attachment A: Vicinity Map

Attachment B: Aerial Vicinity Map

Attachment C: Parcel Pictures

Attachment D: Application

Attachment E: Site Plan

Attachment F: Subdivision Re-Plat

Attachment G: Subdivision Plat

Attachment H: Zoning Map

Attachment I: Mailing List

Attachment J: Proof of Payment

Attachment K: Warranty Deed

PROJECT DESCRIPTION

The applicant and owner of Tract M and the common owners of the adjacent parcel known as the common area requested at the September 15th Planning Commission a replat in which the center line between the two lots is to be removed to create one large lot. The new lot will be a total of 24,418 sq. ft. The Planning Commission unanimously approved the replat subject to a variance and zoning map amendment. This request has to do with the Zoning Map Amendment.

BACKGROUND

The subdivision, including a variance, replat, and zoning map amendment, shall conform to the Comprehensive Plan, the official zoning map, and all requirements in the Sitka General Code Title 22, Zoning.¹ Specifically, land is unsuitable for development if it is found to have potential hazards such as flooding, high water table, or other features, which may be detrimental to the health, safety, or general welfare of existing and future residents; and therefore should not be developed *unless* hazards are eliminated by approved design or construction plans.²

Galankin Island is primarily zoned LI Large Island District. The portion known as Tract M is zoned GI General Island and was at one point unattached and a smaller single lot. Through unknown processes it became attached to the main body of Galankin Island. Due to vegetation and tree growth it can be reasonable to assume that this state of connection to the main island has been so for many years (see Photos). Standard lot size is 1 acre for either GI or LI zoning districts³ (43,560 sq. ft.).

¹ § 21.40.010

² § 21.40.010(A)(3).

³ See SGC Table 22.20-1, p. 282-9.

The GI General Island zoning district: “is intended to replace the open general district. One of its goals is to protect the residential character of small subdivided islands while providing for commercial uses on small unsubdivided islands of modest size and islands containing six lots or less.”⁴

The LI Large Island zoning district: “is intended to replace the open rural low density district. Its goals include protecting the residential character of the larger subdivided islands. It is intended to cover islands such Middle Island, Long Island, and Galankin. Islands with seven lots or more may be included in this zone. An objective of this zone is to have developments swerved by access easements built to a defined standard and to have potential moorage areas defined.”⁵

Per the Comprehensive Plan, Islands shall comply with zoning and building codes, and zoning shall insure the long-term best use.⁶

Due to the split zoning, intent of zoning districts present, the Comprehensive Plan, and to best preserve the health and harmony of present and future residents, the development shall comply with Chapter 22.12 (Zoning Maps and Boundaries).

ANALYSIS

Project / Site: The proposed lot is located in GI and LI zones. The proposal will increase the lot size to 24,418 sq. ft. Conditions of approval for the prior approved replat require uniform zoning for Galankin Island in conformity with the Comprehensive Plan and concurrent Variance request.

Traffic: Zoning Map Amendment will not cause any increase in boat traffic or circulation.

Parking: N/A

Noise: No concerns.

Public Health or Safety: No concerns.

Habitat: No concerns.

Property Value or Neighborhood Harmony: Change in zoning could have future impacts on property value, while an approved replat will have positive impacts on property value. Uniform

⁴ § 22.16.120 GI General Island District.

⁵ § 22.16.135 LI Large Island District.

⁶ §§ 2.8.2(J) and 2.8.4

zoning will create greater neighborhood harmony due to same types of allowable use. In addition, current uses that are legally nonconforming may continue.

Comprehensive Plan: 2.4.5 To encourage logical growth and development adjacent to existing services and facilities and to discourage discontinuous, leapfrog development and zoning.
2.4.19.B Rezoning may be considered in areas where excessive need exists for conditional uses, variances and/or relief from existing requirements.

RECOMMENDED FINDINGS

1. That the granting of such zoning map amendment will not adversely affect the Comprehensive Plan, and it is consistent with *Comprehensive Plan 2.4.5 To encourage logical growth and development adjacent to existing services and facilities and to discourage discontinuous, leapfrog development and zoning; and 2.4.19.B Rezoning may be considered in areas where excessive need exists for conditional uses, variances and/or relief from existing requirements.*
2. The zoning map change is consistent with the public purpose of developing commonsense zoning.
3. The zoning map change will not result in adverse effects on public health, safety, and welfare.

CONCLUSION

Therefore, due to the unique topographical history and current split zoning, the zoning map amendment will comport with Title 21, Title 22, and the Comprehensive Plan in the best interest of the public health, safety, and welfare.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Senior Planner's analysis and grant the zoning map amendment.

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
October 6, 2015**

Present: Chris Spivey (Chair), Darrell Windsor (Vice Chair), Richard Parmelee (Member), Randy Hughey (Member), Debra Pohlman (Member), Michael Scarcelli (Senior Planner), Samantha Pierson (Planner I)

Absent: None

Members of the Public: Paddy Hansen, Sue Litman, Kent Bovee

Chair Spivey called the meeting to order at 7:00 p.m.

Roll Call:

PRESENT: 5 – Parmelee, Spivey, Windsor, Pohlman, Hughey

Consideration of the Minutes from the September 15, 2015 meeting:

MOTION: M/S POHLMAN/WINDSOR moved to approve the meeting minutes for September 15, 2015.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

The evening business:

**VARIANCE REQUEST
515 VERSTOVIA STREET
PADDY HANSEN**

Public hearing and consideration of a variance request filed by Paddy Hansen for 515 Verstovia Street. The variance request is for a reduction in the western rear setback from 10 to 3 feet and the northern rear setback from 10 to 6 feet for the construction of a covered patio and the construction of a porch. The property is also known as Lot 1, Block 2, Sirstad Addition #3. The request is filed by the Paddy Hansen. The owners of record are Paddy and Deena Hansen.

Chair Spivey offered to recuse himself due to having a business relationship with Mr. Hansen. He stated that he could participate in an unbiased fashion, and the other commissioners agreed that he could participate in the proceedings.

STAFF REPORT: Scarcelli described the variance request and the previously approved variance for the property. The property has geographic constraints due to having two front setbacks. Scarcelli stated that an informal complaint had been received about the proposal. The northern border is shielded by foliage and a steel building. These new structures would result in the property reaching maximum building coverage as outlined by municipal code.

APPLICANT: Paddy Hansen stated that he had nothing to add, and that the staff report was comprehensive.

COMMISSIONER DELIBERATION: Commissioner Spivey clarified that the western setback request was previously approved, and that the northern setback is a new request.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/HUGHEY: moved to adopt the following findings:

1. Required Findings for Variances Involving Major Structures or Expansions. Before any variance is granted, it shall be shown:
 - a. That there are special circumstances to the intended use that do not apply generally to the other properties, specifically the irregular corner lot shape and staged development of home and garage and site situation;
 - b. The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel;
 - c. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels, or public infrastructure;
 - d. That the granting of such a variance will not adversely affect the Comprehensive Plan. It is in line with Comprehensive Plan 2.4.1 *To guide the orderly and efficient use of private and public land in a manner that maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations without infringing on the rights of private landowners.*

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

MOTION: M/S HUGHEY/POHLMAN: moved to approve a variance request filed by Paddy Hansen for 515 Verstovia Street. The variance request is for a reduction in the western rear setback from 10 to 3 feet and the northern rear setback from 10 to 6 feet for the construction of a covered patio and the construction of a porch. The property is also known as Lot 1, Block 2, Sirstad Addition #3. The request is filed by the Paddy Hansen. The owners of record are Paddy and Deena Hansen.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

**VARIANCE REQUEST
TRACT M AND IMMEDIATELY ADJACENT WESTERLY COMMON AREA OF GALANKIN
ISLAND
ROBERT JURANICH**

Public hearing and consideration of a variance request for Tract M and immediately adjacent westerly common area of Galankin Island. The variance request would permit the creation of an

undersized lot. The property is also known as Tract M of U.S. Survey 3555 and adjacent common area of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.

STAFF REPORT: Scarcelli explained that this was a carryover from a replat approved on September 15 on the condition of variance and zoning map amendment approval. The proposal will create a larger lot, moving toward conformity with minimum lot requirements. The current lot is 28.9% of the minimum lot requirement, and the proposed lot will be 56% of the minimum lot requirement. The Large Island (LI) district is intended for islands such as Galankin, as specified in SGC 22.16.135. LI is intended for islands with seven or more lots.

APPLICANT: Sue Litman represented Mr. Juranich. She stated that nothing has changed in the plans, and that she agreed with staff analysis.

COMMISSIONER DELIBERATION: Windsor stated that he has spoken with three neighbors, and they have all been supportive of Juranich's proposal.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/POHLMAN: moved to adopt the following findings:

Required Findings for Variances Involving Major Structures or Expansions. Before any variance is granted, it shall be shown:

- a. That there are special circumstances to the intended use that do not apply generally to the other properties. Special circumstances may include the shape of the parcel, the topography of the lot, the size or dimensions of the parcel, the orientation or placement of existing structures, or other circumstances that are outside the control of the property owner, *specifically the initial independent nature of Tract M (Hacienda Island, 12,607 sq. ft.) and its current connected status to Galankin Island;*
- b. The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel; such uses may include the placement of garages or the expansion of structures that are commonly constructed on other parcels in the vicinity, *specifically, other properties on Galankin Island enjoy larger lots and this would substantially increase lot size;*
- c. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels or public infrastructure, *specifically, this variance would allow an increase to lot size adding greater buffers to existing single-family home and to adjacent land-owners; and*
- d. That the granting of such a variance will not adversely affect the comprehensive plan, *specifically, will lead to moving towards conformity with development standards.*

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

MOTION: M/S HUGHEY/WINDSOR: moved to approve a variance request filed by Robert Juranich for Tract M and immediately adjacent westerly common area of Galankin Island. The

variance request would permit the creation of an undersized lot. The property is also known as Tract M of U.S. Survey 3555 and adjacent common area of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.

ACTION: Motion **PASSED** unanimously 5-0 on a voice vote.

**ZONING MAP AMENDMENT
CHANGE ZONING OF TRACT M OF GALANKIN ISLAND FROM GI TO LI
ROBERT JURANICH**

Public hearing and consideration of a zoning map amendment for Tract M and immediately adjacent westerly common area of Galankin Island. The zoning map amendment would change the zoning of Tract M from GI to LI. The property is also known as Tract M of U.S. Survey 3555 of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.

STAFF REPORT: Scarcelli explained that this was a carryover from a replat approved on September 15 on the condition of variance and zoning map amendment approval. The Juranich property has become connected to Galankin Island through natural processes. The Large Island (LI) district is intended for islands such as Galankin, as specified in SGC 22.16.135. The current zoning of this property results in discontinuous zoning. Rezoning can be considered where excessive need exists for conditional uses, variances, and/or relief from existing requirements.

APPLICANT: Sue Litman represented Mr. Juranich. She stated that nothing has changed in the plans, and that she agreed with staff analysis.

COMMISSIONER DELIBERATION: Windsor stated that he has spoken with three neighbors, and they have all been supportive of Juranich's proposal.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/POHLMAN moved to adopt the following findings:

1. That the granting of such zoning map amendment will not adversely affect the Comprehensive Plan, and it is consistent with Comprehensive Plan 2.4.5 To encourage logical growth and development adjacent to existing services and facilities and to discourage discontinuous, leapfrog development and zoning; and 2.4.19.B Rezoning may be considered in areas where excessive need exists for conditional uses, variances and/or relief from existing requirements.
2. The zoning map change is consistent with the public purpose of developing commonsense zoning.
3. The zoning map change will not result in adverse effects on public health, safety, and welfare.

ACTION: Motion **PASSED** unanimously 5-0 on a voice vote.

MOTION: M/S WINDSOR/POHLMAN moved to recommend a zoning map amendment filed by Robert Juranich for Tract M and immediately adjacent westerly common area of Galankin Island. The zoning map amendment would change the zoning of Tract M from GI to LI. The property is also known as Tract M of U.S. Survey 3555 of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

**CONDITIONAL USE PERMIT
601 LINCOLN STREET, UNIT A
KENT BOVEE**

Public hearing and consideration of a conditional use permit for a short-term rental at 601 Lincoln Street Unit A. The property is also known as Lot 3, Block 13, Gregory Subdivision, U.S. Survey 1474. The request is filed by Kent Bovee. The owner of record is Bovee Irrevocable Children's Trust.

STAFF REPORT: Scarcelli described the short-term rental request and the property's features. The property has two units. The bottom unit is a long-term rental and the top unit is intended to become a short-term rental. The short-term rental will be primarily rented during the summer, with year-round availability as necessary. No signs are proposed. The property has sufficient parking for the two units. The proposal will provide additional housing availability for seasonal visitors and will result in tax revenue.

APPLICANT: Kent Bovee stated that he lives downstairs, and his parents previously lived in the upstairs unit. They are now in a retirement home, so the family is seeking to rent out the unit while leaving flexibility for family to periodically stay in the unit. Bovee stated that he would apply for the tax account upon approval of the conditional use permit.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION: Commissioners stated that, having driven by the property in the past, the parking lot is capable of holding the required number of vehicles without encroaching upon the sidewalk.

MOTION: M/S HUGHEY/POHLMAN moved to adopt the following findings

C. Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of

- the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
- a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation
 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;

4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

ACTION: Motion **PASSED 5-0** on a voice vote.

MOTION: M/S PARMELEE/WINDSOR moved to approve a conditional use permit for a short-term rental at 601 Lincoln Street Unit A, contingent upon the following conditions. The property is also known as Lot 3, Block 13, Gregory Subdivision, U.S. Survey 1474. The request is filed by Kent Bovee. The owner of record is Bovee Irrevocable Children's Trust.

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

ACTION: Motion **PASSED 5-0** on a voice vote.

DIRECTORS REPORT: Scarcelli shared that the Conditional Use Permit zoning text change would be going to the Assembly on October 13th. The October 20th agenda includes a conditional use permit final annual review, a variance request, and a minor subdivision. Scarcelli updated the commissioners about the status of enforcement at 101 Lance Drive. Scarcelli stated that the commission's iPads were on the way.

COMMISSIONER DELIBERATION: Commissioners asked if the city provides notice about upcoming conditional use permit reviews. Scarcelli stated that staff would develop a system for tracking the status of the permits. Commissioners stated concern that code violations be enforced. Hughey stated that he would be absent for the October 20th meeting.

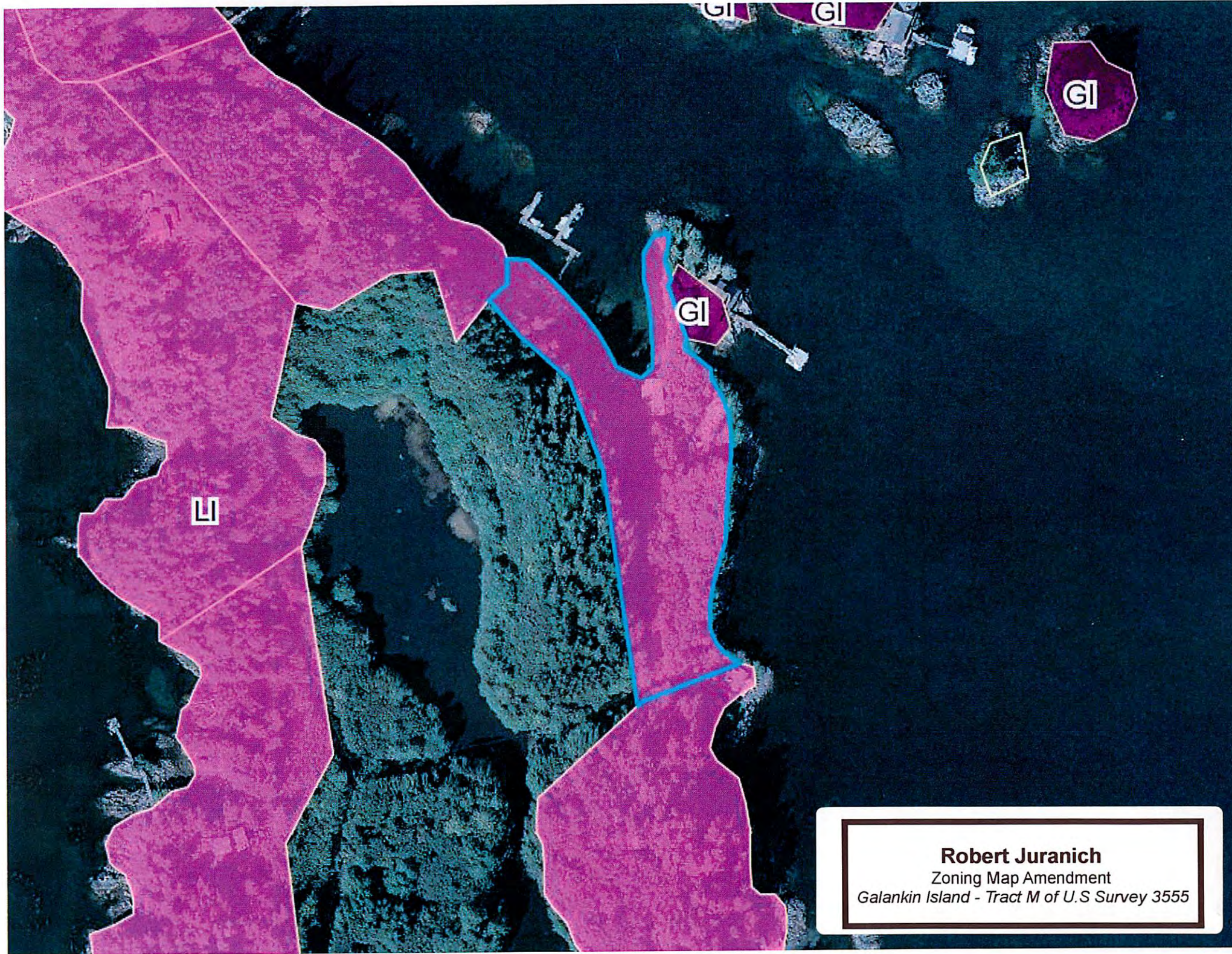
PUBLIC COMMENT: None

MOTION: M/S PARMELEE/POHLMAN moved to adjourn at 7:54 pm.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

Chris Spivey, Chair

Samantha Pierson, Secretary



Robert Juranich
Zoning Map Amendment
Galankin Island - Tract M of U.S Survey 3555

CITY and Borough of STEAD, AK
100 Lincoln St
STEAD, AK 99555

Date: 09/22/2016
Receipt: 2016-00015934
Cashier: Front Counter
Received From: ROBERT JURANICH

PLAN - Planning Permits/Zo	
ning	175.00
STL - Sales Tax 3rd quarte	
NCY	10.50
Receipt Total	----- 185.50
Total other	185.50
Total Remitted	----- 185.50
Total Received	185.50

Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555

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2007-001822-0

Recording Dist: 103 - Sitka
11/26/2007 10:59 AM Pages: 1 of 2



File for Record at Request of:

AFTER RECORDING MAIL TO:

Name: Robert & Marilyn Juranich

Address: P.O. Box 54296

Redondo, WA 98054

CC

QUIT CLAIM DEED

~~THE GRANTOR, Donald S. Olson, who took title, as his separate estate and Robert J. Juranich and Marilyn F. Juranich, as tenants in common, whose address is P.O. Box 54296, Redondo, WA 98054, for and in consideration of \$10.00, conveys and quit claims to Robert J. Juranich and Marilyn F. Juranich, as tenants in common, whose address is P.O. Box, Redondo, WA 98054, the following described real estate, situated in the Recording District of Sitka, First Judicial District, State of Alaska:~~

~~Tract M, of the GALANKIN ISLAND SUBDIVISION, within U.S. Survey 3555, according to Plat 82-43, Sitka Recording District, First Judicial District, State of Alaska.~~

~~together with all after acquired title of the Grantor(s) therein.~~

~~Dated: OCTOBER 30, 2007.~~

~~*[Signature]*
Donald S. Olson~~

~~*[Signature]*
Robert J. Juranich~~

~~*[Signature]*
Marilyn F. Juranich~~

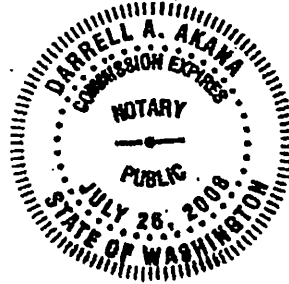
Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555

STATE OF Washington)
) ss.
Judicial District)

THIS IS TO CERTIFY that on this 11-15-07, before me the undersigned Notary Public, personally appeared **Donald S. Olson**, known to me and to me known to be the individual(s) described in and who executed the foregoing instrument and he/she/they acknowledged to me that he/she/they signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for Washington
My commission expires July 26, 2008

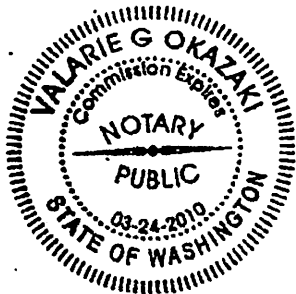


STATE OF Washinton)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that **Robert J. Juranich and Marilyn F. Juranich**, is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: October 30, 2007

[Signature]
Notary Public in and for the State of Washington
Residing at: Puyallup,
My appointment expires: 3/24/2010



Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Sitka Planning Commission Agenda

Tuesday, October 6, 2015

Held at Sealing Cove Business Center

601 Alice Loop, Sitka, Alaska

7:00pm

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE AGENDA
- III. CONSIDERATION OF THE MINUTES FROM September 15, 2015
- IV. THE EVENING BUSINESS
 - A. Public hearing and consideration of a variance request filed by Paddy Hansen for 515 Verstovia Street. The variance request is for a reduction in the western rear setback from 10 to 3 feet and the northern rear setback from 10 to 6 feet for the construction of a covered patio and the construction of a porch. The property is also known as Lot 1, Block 2, Sirstad Addition #3. The request is filed by the Paddy Hansen. The owners of record are Paddy and Deena Hansen.
 - B. Public hearing and consideration of a variance request for Tract M and immediately adjacent westerly common area of Galankin Island. The variance request would permit the creation of an undersized lot. The property is also known as Tract M of U.S. Survey 3555 and adjacent common area of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.
 - C. Public hearing and consideration of a zoning map amendment for Tract M and immediately adjacent westerly common area of Galankin Island. The zoning map amendment would change the zoning of Tract M from GI to LI. The property is also known as Tract M of U.S. Survey 3555 of Galankin Island Subdivision. The request is filed by Robert Juranich. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.
 - D. Public hearing and consideration of a conditional use permit for a short-term rental at 601 Lincoln Street Unit A. The property is also known as Lot 3, Block 13, Gregory Subdivision, U.S. Survey 1474. The request is filed by Kent Bovee. The owner of record is Bovee Irrevocable Children's Trust.
- V. PLANNING DIRECTOR'S REPORT
- VI. PUBLIC BUSINESS FROM THE FLOOR
- VII. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to planning.comments@cityofsitka.org, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.
Publish: September 29 and 30.

Parcel ID: 49011000
KENNETH/KAREN GOFF
GOFF, KENNETH, M./KAREN, R.
P.O. BOX 925
SITKA AK 99835-0925

Parcel ID: 49013000
GALANKIN ISLANDERS, INC.
C/O JAMES STEFFEN
GALANKIN ISLANDERS, INC.
P.O. BOX 936
SITKA AK 99835-0936

Parcel ID: 49097000
ROBERT/MARILYN JURAN
JURANICH, ROBERT/MARI
27013 PACIFIC HWY S.
DES MOINES WA 99198

Robert Juranich
Zoning Map Amendment Request
Galankin Island - Tract M of U.S. Survey 3555

P&Z Mailing
September 25, 2015



Legislation Details

File #: ORD 15-53 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 10/20/2015 In control: City and Borough Assembly
On agenda: 10/27/2015 Final action:
Title: Adjusting the FY16 Budget (first reading)
Sponsors:
Indexes:
Code sections:
Attachments: [Ordinance 2015-53](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-53 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-53

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY16 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY16 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2015 and ending June 30, 2016 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u>			
<u>GENERAL FUND</u>			
Public Work Admin – Personnel:			
100-530-031-5110.001	Regular Salaries/Wages	\$68,515	
100-530-031-5120.002	SBS	\$4,199	
100-530-031-5120.004	PERS	\$15,073	
100-530-031-5120.005	Health Insurance	\$24,670	
100-530-031-5120.006	Life Insurance	\$14	
100-530-031-5120.007	Workmen’s Comp	\$384	
To increase the personnel budget in the Public Works department for the 2nd Contract Coordinator position. Some of these expenses will be covered by other Funds.			
<u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u>			
Enterprise /Internal Service Funds – Operations:			
200-600-601-5214.000	Interdepartmental Services	\$43,337	
210-600-601-5214.000	Interdepartmental Services	\$6,094	
220-600-601-5214.000	Interdepartmental Services	\$7,110	
230-600-601-5214.000	Interdepartmental Services	\$17,832	
240-600-601-5214.000	Interdepartmental Services	\$8,351	
250-600-630-5214.000	Interdepartmental Services	\$2,483	
260-600-630-5214.000	Interdepartmental Services	\$564	

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>ENTERPRISE AND INTERNAL SERVICE FUNDS (cont)</u>			
270-600-630-5214.000	Interdepartmental Services	\$1,693	
310-600-601-5214.000	Interdepartmental Services	\$4,289	
320-600-601-5214.000	Interdepartmental Services	\$2,031	
100-300-370-3701.200	Interfund Billing	\$43,337	
100-300-370-3701.210	Interfund Billing	\$6,094	
100-300-370-3701.220	Interfund Billing	\$7,110	
100-300-370-3701.230	Interfund Billing	\$17,832	
100-300-370-3701.240	Interfund Billing	\$8,351	
100-300-370-3701.250	Interfund Billing	\$2,483	
100-300-370-3701.260	Interfund Billing	\$564	
100-300-370-3701.270	Interfund Billing	\$1,693	
100-300-370-3701.310	Interfund Billing	\$4,289	
100-300-370-3701-320	Interfund Billing	\$2,031	
To increase expense budgets in the Enterprise and Internal Services funds to help fund the 2 nd Contract Coordinator position in the Public Works Department.			
<u>SPECIAL REVENUE FUNDS</u>			
Fund 113 – Pet Adoption Fund – Operations:			
100-600-680-7200.000	Interfund Transfer Out	\$45,000	
113-300-390-3950.000	Interfund Transfer In	\$45,000	
113-500-601-5212.000	Contracted/Purchased Services	\$45,000	
The Police Department is requesting to transfer funds from the General fund to the Pet Adoption Fund in the amount of \$45,000. These funds were rolled into the General fund many years ago due to being an inactive account. The Animal Shelter is now in need of funds to appropriate some projects they would like to do.			
Public Infrastructure Sinking Fund – Operations:			
100-550-680-7200.000	Interfund Transfer Out		\$1,000,000
708-300-390-3950.100	Interfund Transfer In	\$1,000,000	
At the September 22, 2015 meeting, the Assembly approved to transfer \$1,000,000 from the FY2015 General Fund balance to the Public Infrastructure Sinking Fund.			

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EXPLANATION

Necessary revisions in the FY 2016 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th Day of November, 2015.

ATTEST:

Mim McConnell, Mayor

Sara Peterson, Municipal Clerk



Legislation Details

File #: ORD 15-54 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Repealing Sitka General Code at Chapter 2.66 entitled "Tourism Commission" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-54](#)
[Roster and Ordinances](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-54 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2015-54

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REPEALING
SITKA GENERAL CODE AT CHAPTER 2.66 ENTITLED
“TOURISM COMMISSION”

1. **CLASSIFICATION.** This Ordinance is of a permanent nature and is intended to become part of the Sitka General Code (“SGC”).

2. **SEVERABILITY.** If any provision of this Ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** This Ordinance repeals SGC at Chapter 2.66 entitled “Tourism Commission.” Due to the inactivity of the Tourism Commission, the Assembly has directed staff to bring forward an ordinance for consideration to repeal the Commission.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 2.66 *et seq.* entitled “Tourism Commission” is repealed to read as follows (new language underlined; deleted language stricken):

Title 2
ADMINISTRATION

Chapters:

- 2.04 City and Borough Assembly
- 2.08 City and Borough Departments
- 2.12 City and Borough of Sitka Hospital Board
- 2.13 Health Needs and Human Services Commission
- 2.14 Historic Trust Board
- 2.16 Library Commission
- 2.18 Planning Commission
- 2.19 Police and Fire Commission
- 2.20 Fire Department
- 2.25 Sitka Police Department
- 2.32 Strategic Planning Commission
- 2.36 Public Notice of Meetings
- 2.38 Gary Paxton Industrial Park
- 2.40 Elections

- 44 **2.44 Municipal Court**
- 45 **2.46 Municipal Correctional Officers**
- 46 **2.47 Steps for Disaster Preparedness**
- 47 **2.54 Sitka Tree and Landscape Committee**
- 48 **2.56 Parks and Recreation Committee**
- 49 **2.58 Sitka Historical Preservation Commission**
- 50 **2.60 Municipal Boards, Commissions and Committees**
- 51 **2.62 Sitka Investment Committee**
- 52 **2.64 Seafood Processing Economic Development Committee**
- 53 ~~**2.66 Tourism Commission**~~

* * *

~~**Chapter 2.66**~~
~~**TOURISM COMMISSION**~~

Sections:

- ~~**2.66.010 Established Membership Terms.**~~
- ~~**2.66.020 Compensation.**~~
- ~~**2.66.030 Filling vacancies.**~~
- ~~**2.66.040 Organization.**~~
- ~~**2.66.050 Duties.**~~

~~**2.66.010 Established Membership Terms.**~~

~~A. There shall be established a commission to be known as the tourism commission which shall consist of seven members appointed by the assembly. Appointment of members is recommended from the following groups:~~

- ~~1. Sitka Tribe of Alaska;~~
- ~~2. Sitka economic development association and/or the Sitka chamber of commerce;~~
- ~~3. Sitka conservation society and/or Sitka trail works;~~
- ~~4. Sitka charter boat operators association;~~
- ~~5. Commercial fishing industry worker, manager or owner;~~
- ~~6. Community at large; and~~
- ~~7. Sitka convention and visitors' bureau.~~

86 ~~B. Members of the tourism commission shall be appointed to terms of three years, except for~~
87 ~~the first tourism commission, who shall be appointed and serve terms as follows for the seats~~
88 ~~designated in subsection A of this section:~~

- 89
90 ~~1. Three years:~~
91
92 ~~a. Member appointed based on nominee(s) from Sitka Tribe of Alaska;~~
93
94 ~~b. Member appointed based on nominee(s) from Sitka charter boat operators association; and~~
95
96 ~~c. Member appointed who is current or former commercial fishing industry worker, manager or~~
97 ~~owner;~~

- 98
99 ~~2. Two years:~~
100
101 ~~a. Member appointed based on nominee(s) from Sitka economic development association~~
102 ~~and/or the Sitka chamber of commerce; and~~
103
104 ~~b. Member appointed based on nominee(s) from Sitka conservation society and/or Sitka trail~~
105 ~~works;~~

- 106
107 ~~3. One year: two community at large members.~~

108
109 ~~**2.66.020 Compensation.**~~
110 ~~Members of the tourism commission shall not receive compensation for services performed as~~
111 ~~commission members.~~

112
113 ~~**2.66.030 Filling vacancies.**~~
114 ~~In the event of a vacancy on the tourism commission caused by death, resignation, inability to~~
115 ~~serve, or any other reason, before the expiration of the term of any member, the assembly shall~~
116 ~~appoint a person to fill such vacancy for the unexpired term. At the time of a vacancy, the~~
117 ~~assembly shall give public notice of no less than three days that there is a vacancy on the tourism~~
118 ~~commission, and identify the particular vacant seat as provided in Section 2.66.010(A). Any~~
119 ~~group that qualifies to make nominations as provided in Section 2.66.010(A)(1) through (4) may~~
120 ~~submit nomination(s). Any interested person who qualifies for the particular vacant seat as~~
121 ~~provided in Section 2.66.010(A)(5) and (6) may apply. However, the assembly is not limited to~~
122 ~~those applying or nominated when filling a vacancy.~~

123
124 ~~**2.66.040 Organization.**~~
125 ~~The tourism commission shall organize itself only after all seats on the commission have been~~
126 ~~appointed by the assembly. The tourism commission members shall elect a chair and secretary~~
127 ~~annually during the first meeting of each year. Meetings are to be held no less than four times per~~
128 ~~year. Minutes of all meetings shall be furnished to the office of the clerk.~~

129

- 130 ~~2.66.050 Duties.~~
131 ~~The tourism commission shall:~~
132
133 ~~A. Advise and make recommendations to the assembly on tourism-related community issues;~~
134
135 ~~B. Assist the assembly as directed on tourism-related community issues;~~
136
137 ~~C. Coordinate and communicate with diverse community groups on tourism-related issues,~~
138 ~~including local, state and federal government entities, business interests, nonprofits, and the~~
139 ~~community at large; and~~
140
141 ~~D. Assist the assembly with signage projects, including interpretive signs and visitor~~
142 ~~directional signs.~~

143
144 5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after
145 the date of its passage.

146
147 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and
148 Borough of Sitka, Alaska this 10th day of November, 2015.

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Mim McConnell, Mayor

153
154 ATTEST:

155
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Sara Peterson, CMC
158 Municipal Clerk
159
160
161
162



Tourism Commission

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
JENNIFER ROBINSON PO Box 901	747-8604 w 738-2664 c jen@sitkachamber.com	3/27/12	2/22/14	CHAIR <i>Weiser's term</i>
BRUCE CONINE 718 A Street	752-0006 conine@gci.net	10/27/09 11/12/13	10/27/12 11/12/16	
JOHN C. STEIN 101 Cedar Beach Road	747-7811 john.c.stein@gmail.com	2/14/12	2/14/15	
KRISTY CREWS 327 Seward St. Ste 2	747-4704 w 738-8626 c 747-4706 f kristyc@aurorabusinesssupplies.com	3/26/13	3/26/16	
JOHN WELSH 409 B. DeAnand Street	747-8604 jwelsh@sitkachamber.com	3/27/12	2/22/14	Resigned 2013
MARY STEPHENS 406 B. DeAnand	747-8604 mstephens@sitkachamber.com	3/27/12	2/22/14	Resigned 2013
WOODY WIDANAP 444 Kotuqi Street	747-8604 wwidanap@sitkachamber.com	3/27/12	2/22/14	SEA
Melissa Henshaw Municipal Clerk's Office	747-1826 melissa@cityofsitka.com			Secretary
Pete Esquiro 108 Sand Dollar Drive	747-6874 h assemblyesquiro@cityofsitka.com			Assembly Liaison

Established by Ordinance 2007-21, 2011-28S, 2011-52
7 members 3-year terms (except for first commission)

Recommended member categories: 1) Sitka Tribe of Alaska, 2) SEDA/Chamber of Commerce, 3) Sitka Conservation Society/Sitka Trail Works, 4) Sitka Charter Boat Association, 5) Commercial fishing industry worker, manager, owner, 6) Sitka Convention and Visitors Bureau Board, 7) At-Large.

Meeting schedule: 3rd Monday of the month; noon at Harrigan Centennial Hall – Meetings are to be held no less than four times per year.

Revised: March 13, 2014

Sponsors: Dapcevich and Sherrod

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2007-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE AT TITLE 2, ENTITLED "ADMINISTRATION," BY ADDING A NEW CHAPTER 2.66, ENTITLED "TOURISM COMMISSION"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to create a tourism commission that will be an advisory commission to the Assembly of the City and Borough of Sitka, and that will advise the Assembly in addressing tourism-related issues.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC at Title 2, entitled "Administration," is amended by adding a new chapter 66, entitled "Tourism Commission," to read as follows (new language underlines; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

- 2.04 City and Borough Assembly**
- 2.08 City and Borough Departments**
- 2.12 City and Borough of Sitka Hospital Board**
- 2.14 Historic Trust Board**
- 2.16 Library Commission**
- 2.18 Planning Commission**
- 2.19 Police and Fire Commission**
- 2.20 Fire Department**
- 2.25 Sitka Police Department**
- 2.32 Sitka Long-Range Planning and Economic Development
Commission**
- 2.34 Sitka Convention and Visitors' Bureau**

- 2.36 Public Notice of Meetings
- 2.38 Sawmill Cove Industrial Site
- 2.40 Elections
- 2.44 Municipal Court
- 2.46 Municipal Correctional Officers
- 2.47 Steps for Disaster Preparedness
- 2.48 District Civil Defense Council
- 2.52 Parks and Playgrounds
- 2.54 Sitka Tree and Landscape Committee
- 2.56 Parks and Recreation
- 2.58 Sitka Historical Preservation Commission
- 2.60 Municipal Boards, Commissions and Committees
- 2.62 Sitka Investment Committee
- 2.64 Seafood Processing Economic Development Committee
- 2.66 Tourism Commission

* * *

Chapter 2.66

TOURISM COMMISSION

Sections:

- 2.66.010 Established—Membership—Terms.
- 2.66.020 Compensation.
- 2.66.030 Filling vacancies.
- 2.66.040 Organization.
- 2.66.050 Duties.

2.66.010 Established—Membership—Terms.

A. There shall be established a committee to be known as the tourism commission which shall consist of seven members appointed by the assembly as follows. However, the assembly is not limited to those applying or nominated when appointing any of the seven members.

1. One member based on nominee(s) from Sitka Tribe of Alaska;
2. One member based on nominee(s) from Sitka Economic Development Association and/or the Sitka Chamber of Commerce;

3. One member based on nominee(s) from Sitka Conservation Society and/or Sitka Trail Works;
 4. One member based on nominee(s) from Sitka Charter Boat Operators Association;
 5. One member who is a current or former commercial fishing industry worker, manager or owner; and
 6. Two community at large members.
- B. Members of the tourism commission shall be appointed to terms of three years, except for the first tourism commission, who shall be appointed and serve terms as follows for the seats designated in subsection A:
1. Three years:
 - a. Member appointed based on nominee(s) from Sitka Tribe of Alaska;
 - b. Member appointed based on nominee(s) from Sitka Charter Boat Operators Association; and
 - c. Member appointed who is current or former commercial fishing industry worker, manager or owner;
 2. Two years:
 - a. Member appointed based on nominee(s) from Sitka Economic Development Association and/or the Sitka Chamber of Commerce; and
 - b. Member appointed based on nominee(s) from Sitka Conservation Society and/or Sitka Trail Works;
 3. One year: two community at large members.
- C. The Sitka Convention and Visitor Bureau shall provide staff services to the tourism commission.

2.66.020 Compensation.

Members of the tourism commission shall not receive compensation for services performed as commission members.

2.66.030 Filling vacancies.

In the event of a vacancy on the tourism commission caused by death, resignation, inability to serve, or any other reason, before the expiration of the term of any member, the assembly shall appoint a person to fill such vacancy for the unexpired term. At the time of a vacancy, the assembly shall give public notice of no less than three days that there is a vacancy on the tourism commission, and identify the particular vacant seat as provided in subsection 2.66.010A. Any group that qualifies to make nominations as provided in subsection 2.66.010A, 1-4 may submit nomination(s). Any interested person who qualifies for the particular vacant seat as provided in subsection 2.66.010A, 5-6 may apply. However, the assembly is not limited to those applying or nominated when filling a vacancy.

2.66.040 Organization.

The tourism commission shall organize itself only after all seats on the commission have been appointed by the assembly. The tourism commission members shall elect a chair and schedule meetings to be held no less than four times per year. Minutes of all meetings shall be furnished to the office of the clerk.

2.66.050 Duties.

The tourism commission shall:

- A. Advise and make recommendations to the assembly on tourism-related community issues;
- B. Assist the assembly as directed on tourism-related community issues;
and
- C. Coordinate and communicate with diverse community groups on tourism-related issues, including local, state and federal government entities, business interests, non-profits, and the community at large.

5. **EFFECTIVE DATE.** This ordinance shall become effective the day after this ordinance is passed by the Assembly of the City and Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th day of September, 2007.



Marko Dapcevich, Mayor

ATTEST:



Colleen Pellett, MMC
Municipal Clerk

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2011-52

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING
SITKA GENERAL CODE CHAPTER 2.66, ENTITLED "TOURISM
COMMISSION," AT SECTIONS 2.66.010 ENTITLED "ESTABLISHING-
MEMBERSHIP-TERMS" AND 2.66.050 ENTITLED "DUTIES"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** The Tourism Commission ("Commission") has recommended these proposed amendments to the SGC regarding Commission membership and duties. In particular, the Commission proposes that assigned membership regarding various user groups is no longer needed. This will make it easier to fill vacant positions on the Commission. Further, the addition of signage duties in SGC 2.66.050 reflects current tasks undertaken by the Commission in assisting municipal staff and contractors with directional signs and interpretative signs to inform visitors and local citizens.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 2.66 entitled "Tourism Commission," at Section 2.66.010 "Establishing-Membership-Terms," and Section 2.66.050 "Duties," is amended to read as follows (new language underlined; deleted language stricken):

2.66.010 Established—Membership—Terms.

A. There shall be established a commission ~~committee~~ to be known as the tourism commission which shall consist of seven members appointed by the assembly. Appointment of members is recommended from the following groups: as follows. ~~However, the assembly is not limited to those applying or nominated when appointing any of the seven members.~~

1. ~~One member based on nominee(s) from Sitka Tribe of Alaska;~~
2. ~~One member based on nominee(s) from Sitka Economic Development Association and/or the Sitka Chamber of Commerce;~~
3. ~~One member based on nominee(s) from Sitka Conservation Society and/or Sitka Trail Works;~~

4. ~~One member based on nominee(s) from~~ Sitka Charter Boat Operators Association;
5. ~~One member who is a current or former~~ Commercial fishing industry worker, manager or owner; and
6. ~~One~~ Community at large member; and
7. ~~One member based on nominee(s) from the~~ Sitka Convention and Visitor's Bureau.

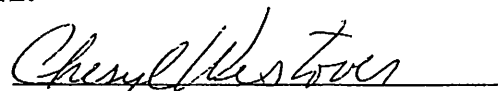
2.66.050 Duties.

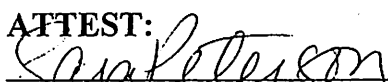
The tourism commission shall:

- A. Advise and make recommendations to the assembly on tourism-related community issues;
- B. Assist the assembly as directed on tourism-related community issues; ~~and~~
- C. Coordinate and communicate with diverse community groups on tourism-related issues, including local, state and federal government entities, business interests, nonprofits, and the community at large; and.
- D. Assist municipal staff and contractors the Assembly with signage projects, including interpretive signs and visitor directional signs.

5. **EFFECTIVE DATE.** This ordinance shall become effective the day after this ordinance is passed by the Assembly of the City and Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of January, 2012.


Cheryl Westover, Mayor

ATTEST:

Sara Peterson, CMC
Deputy Municipal Clerk

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2011-28S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE CHAPTER 2.66, ENTITLED "TOURISM COMMISSION" AT SECTION 2.66.010, ENTITLED "ESTABLISHING-MEMBERSHIP-TERMS," AND SECTION 2.66.040, ENTITLED "ORGANIZATION"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** The Tourism Commission has met and unanimously suggested these proposed amendments to the Tourism Commission membership and organization.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC at Chapter 2.66, entitled "Tourism Commission," at Sections 2.66.010 entitled "Establishing-Membership-Terms" and Section 2.66.040 entitled "Organization," is amended to read as follows (new language underlined; deleted language stricken):

2.66.010 Established—Membership—Terms.

A. There shall be established a committee to be known as the tourism commission which shall consist of seven members appointed by the assembly as follows. However, the assembly is not limited to those applying or nominated when appointing any of the seven members.

1. One member based on nominee(s) from Sitka Tribe of Alaska;
2. One member based on nominee(s) from Sitka Economic Development Association and/or the Sitka Chamber of Commerce;
3. One member based on nominee(s) from Sitka Conservation Society and/or Sitka Trail Works;

4. One member based on nominee(s) from Sitka Charter Boat Operators Association;
5. One member who is a current or former commercial fishing industry worker, manager or owner; ~~and~~
6. One ~~Two~~ community at large members; and
7. One member based on nominee(s) from the Sitka Convention and Visitor's Bureau.

~~C. The Sitka Convention and Visitor Bureau shall provide staff services to the tourism commission.~~

2.66.040 Organization.

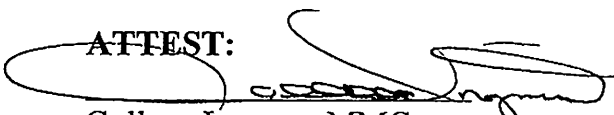
The tourism commission shall organize itself only after all seats on the commission have been appointed by the assembly. The tourism commission members shall elect a chair and secretary annually during the first meeting of each year. ~~and schedule M~~meetings are to be held no less than four times per year. Minutes of all meetings shall be furnished to the office of the clerk.

5. **EFFECTIVE DATE.** This ordinance shall become effective the day after this ordinance is passed by the Assembly of the City and Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of July, 2011.


Cheryl Westover, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 15-55 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Repealing Sitka General Code at Chapter 2.32 entitled "Strategic Planning Commission" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-55](#)
[Reenacting ordinance](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-55 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2015-55

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REPEALING
SITKA GENERAL CODE AT CHAPTER 2.32 ENTITLED
“STRATEGIC PLANNING COMMISSION”

1. **CLASSIFICATION.** This Ordinance is of a permanent nature and is intended to become part of the Sitka General Code (“SGC”).

2. **SEVERABILITY.** If any provision of this Ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** This Ordinance repeals SGC at Chapter 2.32 entitled “Strategic Planning Commission.” Due to the inactivity of the Strategic Planning Commission, the Assembly has directed staff to bring forward an ordinance for consideration to repeal the Commission.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 2.32 *et seq.* entitled “Strategic Planning Commission” is repealed to read as follows (new language underlined; deleted language stricken):

Title 2
ADMINISTRATION

Chapters:

- 2.04 City and Borough Assembly
- 2.08 City and Borough Departments
- 2.12 City and Borough of Sitka Hospital Board
- 2.13 Health Needs and Human Services Commission
- 2.14 Historic Trust Board
- 2.16 Library Commission
- 2.18 Planning Commission
- 2.19 Police and Fire Commission
- 2.20 Fire Department
- 2.25 Sitka Police Department
- ~~2.32 Strategic Planning Commission~~
- 2.36 Public Notice of Meetings
- 2.38 Gary Paxton Industrial Park
- 2.40 Elections

- 44 **2.44 Municipal Court**
- 45 **2.46 Municipal Correctional Officers**
- 46 **2.47 Steps for Disaster Preparedness**
- 47 **2.54 Sitka Tree and Landscape Committee**
- 48 **2.56 Parks and Recreation Committee**
- 49 **2.58 Sitka Historical Preservation Commission**
- 50 **2.60 Municipal Boards, Commissions and Committees**
- 51 **2.62 Sitka Investment Committee**
- 52 **2.64 Seafood Processing Economic Development Committee**
- 53 **2.66 Tourism Commission**

54
55 * * *

56 **Chapter 2.32**
57 **STRATEGIC PLANNING COMMISSION**

58
59 **Sections:**

- 60
- 61 ~~2.32.010 Establishment.~~
- 62 ~~2.32.020 Formation.~~
- 63 ~~2.32.030 Term.~~
- 64 ~~2.32.040 Organization.~~
- 65 ~~2.32.050 Resignation.~~
- 66 ~~2.32.060 Meetings.~~
- 67 ~~2.32.070 Powers and duties.~~

68

69 ~~2.32.010 Establishment.~~

70 ~~There shall be a commission known as the strategic planning commission to assist the assembly~~
71 ~~in developing, planning, and implementing strategic and planning priorities; provide a public~~
72 ~~forum for strategic and community planning discussions and proposals; and, as determined by~~
73 ~~the assembly, review, comment, and assist on all referred issues for the purposes of strategic~~
74 ~~planning.~~

75

76 ~~2.32.020 Formation.~~

77 ~~The commission shall be composed of five members appointed by the assembly and, to the~~
78 ~~extent deemed advisable by the assembly, include members active in roles from the major~~
79 ~~industries of Sitka: seafood, healthcare, tourism and education; along with members from the~~
80 ~~community at large. A member of the assembly will serve as a liaison for the commission. At~~
81 ~~least annually, the assembly and the commission shall meet jointly in a special session to discuss~~
82 ~~strategic planning priorities.~~

83

84 ~~2.32.030 Term.~~

85 ~~The term of a member shall be two years or until a successor is appointed; except, term of the~~
86 ~~assembly liaison shall be for one year. The first members appointed to the commission shall,~~

87 upon appointment, determine the length of the terms so that the terms of two members shall be
88 for one year and the terms of three members shall be for two years, resulting in staggered terms
89 for members subsequently appointed. A vacancy on the commission shall be filled by
90 appointment by the assembly for any remainder of an unexpired term.

91
92 **2.32.040 Organization.**

93 The commission shall organize itself, naming of the officers a chairperson and vice chairperson,
94 each of whom shall be elected by the members of the commission at the first meeting of the
95 newly appointed commission and shall serve a term to expire upon election of officers at the first
96 meeting of the following year.

97
98 **2.32.050 Resignation.**

99 Should an officer resign from their position prior to expiration of their term, or otherwise is
100 unable or unwilling to perform duties as required of the office, the commission may elect an
101 officer to serve out the remainder of that term. In addition to the above officers, the commission,
102 by a majority vote of its members, may designate and elect or appoint such other officers,
103 assistant officers and agents as it deems necessary at such time, in such manner, and upon and
104 for such terms as it shall prescribe. All officers and agents shall serve at the pleasure of the
105 commission, whenever in its judgment the best interest of the commission will be served.

106
107 **2.32.060 Meetings.**

108 A.—Except during the summer, the commission shall meet at least quarterly.

109
110 B.—Additional meetings may be held to provide a public forum for strategic planning priorities.

111
112 C.—Give reasonable public notice of its meetings and shall comply in all respects with the
113 Alaska Open Meetings Law.

114
115 D.—At least once on an annual basis, the assembly and the commission shall meet jointly in a
116 special session to discuss strategic planning priorities (see Section 2.32.020).

117
118 E.—At least twice annually, representatives of the commission will provide an update to the
119 assembly at a regular assembly meeting during “special reports” and will use assembly feedback
120 to adjust the activities and annual goals of the commission.

121
122 **2.32.070 Powers and duties.**

123 A.—The commission shall assist the assembly in developing, planning, and implementing
124 strategic and planning priorities as determined through assembly visioning;

125
126 B.—The commission shall, annually, draft its goals for the assembly to approve. These goals
127 shall be based on the annual assembly/commission joint meeting (see Section 2.32.060) or the
128 assembly’s recent visioning or strategic planning sessions. Specific issues the commission may
129 be directed to pursue include but are not limited to: sustainability of city infrastructure,
130 sustainability/efficiency of city services, targeted actions to improve quality of life, etc.;

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~~C.—The commission shall provide a public forum for strategic and community planning discussions and proposals. In that role, the commission shall develop a process in which the public can participate in setting goals for future use of publicly owned resources;~~

~~D.—The commission shall, with the direction of the assembly, take specific action to facilitate strategic and planning for the community;~~

~~E.—As determined by the assembly, the commission shall review and comment on all referred issues for purposes of strategic planning.~~

5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of November, 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-33

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REENACTING SITKA
GENERAL CODE AT CHAPTER 2.32 ENTITLED " STRATEGIC PLANNING
COMMISSION"**

1. **CLASSIFICATION.** This Ordinance is of a permanent nature and is intended to become part of the Sitka General Code ("SGC").

2. **SEVERABILITY.** If any provision of this Ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** The Assembly has periodically established an economic development and planning commission over the past three decades (Ordinance No. 88-818, Ordinance No. 99-1538, Ordinance No. 01-1649, and dissolution by Ordinance No. 2011-05).

The purpose of this ordinance is to recreate SGC 2.32 to reenact this commission as the Sitka Strategic Planning Commission to assist the assembly in developing, planning, and implementing strategic and planning priorities as determined by the assembly. The newly formed commission will focus on strategic planning for the city rather than economic development. The Sitka Economic Development Association (SEDA), a non-profit organization established in 1997 by a committee of the Greater Sitka Chamber of Commerce, and other entities have taken on many of the economic development roles of the former Planning and Economic Development Commission.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the former repealed SGC 2.32 is now reenacted to form the Strategic Planning Commission as follows (new language underlined; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

- 2.04 City and Borough Assembly**
- 2.08 City and Borough Departments**
- 2.12 City and Borough of Sitka Hospital Board**
- 2.13 Health Needs and Human Services Commission**
- 2.14 Historic Trust Board**
- 2.16 Library Commission**
- 2.18 Planning Commission**
- 2.19 Police and Fire Commission**
- 2.20 Fire Department**
- 2.25 Sitka Police Department**
- 2.32 Strategic Planning Commission**

2.34 Sitka Convention and Visitors' Bureau

* * *

Chapter 2.32
Strategic Planning Commission

Sections:

2.32.010 Establishment.

2.32.020 Formation.

2.32.030 Organization.

2.32.040 Powers and duties.

2.32.050 Term.

2.32.010 Establishment.

There shall be a commission known as the strategic planning commission to assist the assembly in developing, planning, and implementing strategic and planning priorities; provide a public forum for strategic and community planning discussions and proposals; and, as determined by the assembly, review, comment, and assist on all referred issues for the purposes of strategic planning

2.32.020 Formation.

The commission shall be composed of five members appointed by the Assembly and, to the extent deemed advisable by the Assembly, include members active in roles from the major industries of Sitka: seafood, healthcare, tourism and education; along with members from the community at large. A member of the assembly will serve as a liaison for the commission. At least annually, the assembly and the commission shall meet jointly in a special session to discuss strategic planning priorities.

2.32.030 Term.

The term of a member shall be two years or until a successor is appointed; except, term of the Assembly Liaison shall be for one year. The first members appointed to the commission shall, upon appointment, determine the length of the terms so that the terms of two (2) members shall be for one year and the terms of three (3) members shall be for two years, resulting in staggered terms for members subsequently appointed. A vacancy on the commission shall be filled by appointment by the assembly for any remainder of an unexpired term.

2.32.040 Organization.

The commission shall organize itself, naming of the officers a chairperson, and vice chairperson, each of whom shall be elected by the members of the commission at the first meeting of the newly appointed commission and shall serve a term to expire upon election of officers at the first meeting of the following year.

2.32.050 Resignation.

Should an officer resign from their position prior to expiration of their term, or otherwise is unable or unwilling to perform duties as required of the office, the commission may elect an officer to serve out the remainder of that term. In addition to the above officers, the commission, by a majority vote of its members, may designate and elect or appoint such other officers, assistant officers and agents as it deems necessary at such time, in such manner, and upon and for such terms as it shall prescribe. All officers and agents shall serve at the pleasure of the commission, whenever in its judgment the best interest of the commission will be served.

2.32.060 Meetings.

A. Except during the summer, the commission shall meet at least quarterly.

B. Additional meetings may be held to provide a public forum for strategic planning priorities.

C. Give reasonable public notice of its meetings and shall comply in all respects with the Alaska Open Meetings Law.

D. At least once on an annual basis, the assembly and the commission shall meet jointly in a special session to discuss strategic planning priorities (see 2.32.020).

E. At least twice annually, representatives of the commission will provide an update to the assembly at a regular assembly meeting during "Special Reports" and will use assembly feedback to adjust the activities and annual goals of the commission.

2.32.070 Powers and duties.

A. The commission shall assist the assembly in developing, planning, and implementing strategic and planning priorities as determined through assembly visioning;

B. The commission shall, annually, draft its goals for the assembly to approve. These goals shall be based on the annual assembly/commission joint meeting (see 2.32.060) or the assembly's recent visioning or strategic planning sessions. Specific issues the commission may be directed to pursue include but are not limited to: sustainability of city infrastructure, sustainability/efficiency of city services, targeted actions to improve quality of life etc.

C. The commission shall provide a public forum for strategic and community planning discussions and proposals. In that role, the commission shall develop a process in which the public can participate in setting goals for future use of publicly owned resources;

D. The commission shall, with the direction of the assembly, take specific action to facilitate strategic and planning for the community;

E. As determined by the assembly, the commission shall review and comment on all referred issues for purposes of strategic planning;

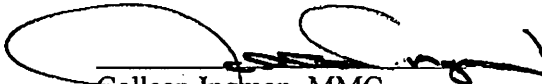
* * *

5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of September, 2013.


Mim McConnell, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: 15-207 Version: 1 Name:

Type: Appointment Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Reappoint Dan Jones to a two-year term on the Gary Paxton Industrial Park Board, appoint Eric Skousen to a three-year term on the Port and Harbors Commission, and appoint Tamie Parker Song to an unexpired term on the Planning Commission.

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)
[Jones application](#)
[Skousen application](#)
[Parker Song application](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Dan Jones to a two-year term on the Gary Paxton Industrial Park Board, appoint Eric Skousen to a three-year term on the Port and Harbors Commission, and appoint Tamie Parker Song to an unexpired term on the Planning Commission.

Daniel Glenn Jones
19 Sirstad Street
Sitka, Alaska 99835
907-747-6373/907-738-6998(call)

12 October 2015

Melissa Henshaw, Deputy Municipal Clerk
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99835

Subject: Application for Re-Appointment to the Gary Paxton Industrial Park Board

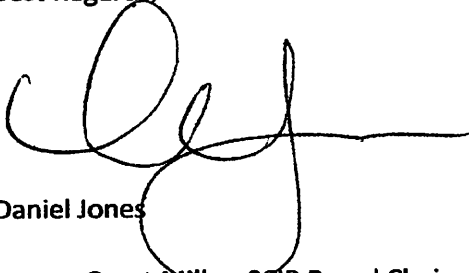
Melissa,

Attached please find the subject application, along with my current professional resume.

I believe that I have been a constructive member of the board for the last two years, and would appreciate the Assembly's agreement to appoint me for another two year term.

I am willing to make myself available to the Assembly when they consider this application, and look forward to the possibility that they will allow me to continue to serve on the board.

Best Regards,

A handwritten signature in black ink, appearing to be 'Daniel Jones', with a long horizontal flourish extending to the right.

Daniel Jones

cc: Grant Miller, SCIP Board Chair
Garry White, SEDA



**Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka**

Board/Commission/Committee: Gary Paxton Industrial Park GPIIP
Name: Daniel Jones Daytime Phone: 907-738-6998
Address: 719 Sirstad Street Evening Phone: 907-747-6373
Email Address: danielgjonespe@gci.net Fax Number: N/A
Length of Residence in Sitka: 39 years Registered to vote in Sitka? Yes No
Employer: Self Employed

Organizations you belong to or participate in:

Gary Paxton Industrial Park Board, Sitka Rotary Club, Greater Sitka Chamber of Commerce, Sitka Summer Music Festival.

Explain your main reason for applying:

I recognize the need to develop the GPIIP into a fully functioning industrial park in order to provide living wage jobs for Sitkans.

What background, experience or credentials will you bring to the board, commission, or committee membership?

I am a Civil Engineer and construction manager, I have been a City and Borough of Sitka Project Engineer, and I was a Project Engineer for Alaska Pulp Corporation when they owned site now known as the GPIIP.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 12 October 2015 Signature: 

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
Sara Peterson, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: sara@cityofsitka.com

Daniel Glenn Jones, P.E.
719 Sirstad Street
Sitka, Alaska 99835
907-738-6998

Education and Professional Qualifications

B.S. Civil Engineering, June 1975, University of California at Davis. Alaska State Engineering License CE-8162. Member American Society of Civil Engineers.

Experience

Sept. 2010- Present Daniel G. Jones, P.E., LLC

Sole Member/Principal. Project Design and Construction Management, Inspection, Permit Application and Regulatory Compliance, and other Civil Engineering services.

Dec. 2003- Sept. 2010 City and Borough of Sitka, Alaska

Engineering Manager (Operations) (2008-2010)- Responsible for operation of Solid Waste Department, Streets Maintenance, Central Garage, and the Sawmill Cove Industrial Park. Managed design and construction of capital projects for those Departments, and other Departments as assigned.

City and Borough Engineer (2003-2008)- Responsible for capital improvements program of the City and Borough, including Sitka School District major capital projects. Managed design and construction of both civil utilities and architectural projects.

Oct. 1993- Nov. 2003 D.G.Jones/Associates, Sitka, Alaska

Owner/Principal. Provided Project Design and Construction Management, Inspection, Permit Application and Regulatory Compliance, and other Civil Engineering services.

Aug. 1977- Sept. 1993 Alaska Pulp Corporation, Sitka, Alaska

Senior Project Engineer/Chief Engineer (1990-1993). Responsible for the operation of the Project Engineering department with approximately

\$5,000,000 annual capital project budget. Responsible for Quality Control program for welded repair to Pressure vessels.

Stores Manager (1986-1990). Responsible for operation of Stores (Maintenance, Repair, and Operating Supplies) Department including receipt of direct purchased materials. Responsible for local purchasing.

Maintenance Supervisor (1984-1986). Responsible for maintenance of multiple areas of an industrial plant. Responsible as Craft Supervisor for scheduling of Millwright crew.

Project Engineer (1984-1977). Project Engineer for multiple areas of an industrial plant including power boiler and steam turbine generator maintenance projects. Supervised company and contractor work crews, managed contracts and inspected completed work.

Responsible as QC Engineer for Quality Control program for welded repair to Pressure vessels, including coordination with Alaska State Inspector and Insurance Company Authorized Inspector.

As instructor for Mechanics Training Program supervised field and academic training of all apprentices.

July 1975-
Aug. 1977 The Wright- Schuchart Companies (Seattle, Washington and various project sites)

Project Engineer/Project Scheduler/Piping Engineer for construction of various industrial plants or systems including Secondary Water Treatment facilities for Alaska Pulp Corporation, Sitka, Alaska; oilfield modules for BP Alaska; and a Kraft Recovery Boiler and Evaporator set for Simpson Lee Paper Company, Anderson, California.

Personal

Born 21 June, 1952. Married with one grown daughter. Member Sitka Rotary Club (three times past President), Member Greater Sitka Chamber of Commerce Board (past President), Member Sitka Summer Music Festival Board of Directors (past President), Member Gary Paxton Industrial Park Board.



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
GRANT J. MILLER P.O. Box 6097	738-3443 w 747-7870 fax grant@gci.net	6/13/06 6/10/08 6/8/10 6/12/12 6/24/14	6/13/08 6/10/10 6/8/12 6/12/14 6/24/16	CHAIR
DAN JONES 719 Sirstad Street	738-6998 c 747-6373 h danielgjonespe@gci.net	10/11/11 10/22/13	10/11/13 10/22/15	VICE- CHAIR
CHARLES HORAN 403 Lincoln Street	747-6666 w 747-7417 fax charles@horanappraisals.com	3/24/15	7/9/15	<i>Fondell's term</i>
PTARMICA MCCONNELL 2575 Sawmill Creek Rd.	738-9941 c ptarmica@sheeatika.com	6/10/14	6/10/16	
SCOTT WAGNER 304 Nicole Drive	747-6850 w 747-3791 h scott_wagner@nsraa.org	11/25/14	6/24/16	<i>Eisenbeisz's term</i>
Garry White 329 Harbor Drive, #212	747-2660 w 747-7688 fax garrywhite@gci.net			GPIP Director
Mark Gorman City & Borough of Sitka 100 Lincoln Street	747-1808 w 747-7403 fax mark.gorman@cityofsitka.org			Municipal Administrator
Steven Eisenbeisz 208 Lincoln Street	738-9075 c assemblyeisenbeisz@cityofsitka.org			Assembly Liaison
Linda Wilson 329 Harbor Drive, #212	747-2660 w 747-7688 fax sedasitka@gmail.com			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: October 14, 2015



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: Port and Harbors
Name: ERIC C. SKOUSEN Daytime Phone: (907) 623-8003
Address: 105 BUCKHART RD. B12 Evening Phone: SAME
Email Address: SKOUSENPRIDE@HOTMAIL.COM Fax Number: NIA
Length of Residence in Sitka: 10 YRS Registered to vote in Sitka? Yes No
Employer: SELF
Organizations you belong to or participate in: SITKA MUSEE, SITKA SPORTSMAN'S ASSOC.

Explain your main reason for applying: TO PARTICIPATE AND CONTRIBUTE TO THE ONGOING PROSPERITY AND FUTURE OF THE PORTS AND HARBORS HERE IN SITKA

What background, experience or credentials will you bring to the board, commission, or committee membership?
- SEE RESUMÉ -

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

NIA

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 9/20/15 Signature: [Handwritten Signature]

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

2004-2006 Valley Protective Services, Tempe, Arizona, security officer. Patrol apartment complexes, write daily detailed reports, monthly safety checks, enforce rules and regulations, worked closely with local police authorities and assisted in arrests and investigations.

1990-2004 Other private security and investigation jobs including the Rio Suite Hotel and Casino, Las Vegas (1990-93) and Selgae Associates, private investigation company, Las Vegas, NV – armed criminal investigation, both locally and internationally, executive and VIP protection, State and Federal Court investigation appointments for homicide, money laundering and drug trafficking, etc.

Hobbies and Interests

In addition, I am a photographer of nature and wildlife around Sitka. I enjoy being a boat owner and fisherman, both in the ocean and the rivers and streams. I am an avid hiker, hunter and explorer with my service dog, Thorr, and look for gold and gems and make silver jewelry using gems and stones that I find. My other interests are martial arts, card games, guns and Marvel comics. I am a passionate reader of world history.



PORT AND HARBORS COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
KEVIN KNOX 324 Wachusetts Street	738-4664 c kevin@bluesteel.org	12/10/13 3/24/15	4/10/15 3/24/18	CHAIR <i>Lamade's term</i>
JOSH ARNOLD 106 Shotgun Alley	738-0854 c 747-0545 oceanlure@gmail.com	5/13/14	5/22/15	VICE CHAIR <i>Coleman's term</i>
STAN ELIASON 113 Katlian Street	747-4215 w 738-0832 c stan.eliason@cityofsitka.org	5/27/11	1/13/15	
MICHAEL JOHNSON 2017 Cascade Creek Court	752-1886 c 360-404233 michaeljohnson@cityofsitka.org	6/5/13	5/1/16	Secretary's term
MARY ANN PETERSON PO Box 593	752-3684 map3684@gmail.com	10/7/13	10/7/16	
GLAY DAVIS 511 Yeshiva Avenue	747-4215 w glay.davis@cityofsitka.org	1/13/15	1/13/17	2nd year's term November 2014
MELISSA GREENHALGH PO Box 25	738-1320 c melissarae1984@yahoo.com	2/11/15	3/26/16	<i>Lawrie's term</i>
Stan Eliason Office: 617 Katlian Street	747-3439 w 738-0832 stan.eliason@cityofsitka.org			Harbormaster Non-voting
Matthew Hunter 102 Remington Way	738-6851 c assemblyhunter@cityofsitka.org			Assembly Liaison
Kacie Rear Administrative Assistant	747-3439 w kacie.rear@cityofsitka.org			Secretary

7 members from the public, 3-year terms
 Established by Resolution 88-375
 Nine meetings per year, September – May, 2nd Wednesday
 Sealing Cove Business Center, 601 Alice Loop 6:00 p.m.

Revised: October 14, 2015



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: Planning Commission
Name: Tamie (Harkins) Parker Song Daytime Phone: 907-623-7687
Address: P.O. Box 1121, Sitka Evening Phone: "
Email Address: tamieparkersong@gmail.com Fax Number: _____
Length of Residence in Sitka: 14 months Registered to vote in Sitka? Yes No
Employer: Blue Plum Editing (self-employed)
Organizations you belong to or participate in:
Island Institute, Academy of Writers and Writing Programs

Explain your main reason for applying:

I wish to be meaningfully engaged in the political management of the city of Sitka.

What background, experience or credentials will you bring to the board, commission, or committee membership?

I have a variety of experience with people and organizations focused on community engagement. This will be my first experience with a political body. Please see attached letter for more information.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: October 21, 2015 Signature: Tamie

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

Tamie Parker Song
P.O. Box 1121
Sitka, AK 99835

October 21, 2015

Dear Hon. Mayor Mim McConnell and Assembly Members,

I am writing to volunteer for a position on the Planning Commission. One of the reasons I moved to Sitka, just over a year ago, was that I believed Sitka was the sort of town in which an average citizen could be meaningfully engaged in political and community actions and governance. Seeking to be a part of the Planning Commission is one step I am taking to seek out that kind of engagement.

Although I'm a novice to politics as such, I have been involved in community work for much of my adult life. Several years ago I taught creative writing to men and women in a county jail in the Midwest. That experience made real to me in a visceral way the connections between poverty, education, job opportunities, social hierarchies, and crime. Several years before that, I founded and led a community conversation group in northern Arizona, open to anyone and not politically affiliated, in which we discussed how to live holistic and ethical lives on a personal, local, national, and global level. The group met weekly for five years.

I am fairly new to Sitka, but I have a lifelong connection to Alaska. My grandparents lived in Kodiak most of their adult lives. My father was raised in Kodiak, and I grew up set-netting every summer of my childhood. Although I have lived all over the United States, I have commercial fished in Alaska many summers as an adult. I care about the wildernesses, towns, various vocations, and people of Alaska. I work now as a freelance academic editor, and essayist.

I am specifically interested in the Planning Commission because I believe that the nitty-gritty details of land and property use, housing, and zoning, are integral to the shared life of this city, and I would like to be involved with that shared life in practical ways. Undoubtedly I will have a lot to learn. I offer my committed work ethic, creativity, willingness to listen, sense of humor, and ability to get along with a variety of people, in service of the Planning Commission and the town of Sitka.

Sincerely,



Tamie Parker Song

Tamie Parker Song
P.O. Box 1121, Sitka, AK 99835
907.623.7687 / tamieparkersong@gmail.com

Education

University of Southern Maine **Portland, ME** **2012**
MFA, Creative Nonfiction Writing

Trinity Western University **Langley, British Columbia, Canada** **2002**
BA, Philosophy and English Literature *Dean's List*

Experience

Blue Plum Editing **Sitka, Alaska** **Nov 2014-Present**
Freelance Editor

- Own and operate a freelance academic editing company focused on social justice

Ariel Parkinson **Berkeley, California** **Sept 2012-Sept 2014**
House Manager & Live-in Caretaker

- Managed all aspects of household of multiple employees
- Attended to all daily, short-term, and long-term needs of a patient with dementia

College of Alameda **Alameda, California** **June 2013-June 2014**
Adjunct English Instructor

- Taught Critical Thinking in the English Department
- Taught three different versions of the class (6-week, 8-week, semester-long)

National Parks Revealed **Berkeley, California** **May 2012-May 2013**
Operations Manager

- Assisted in tour operations for private tours in the National Parks.
- Wrote extensive web copy for the company website

Cirque: Journal of the Pacific Rim **San Francisco, California** **Autumn 2012**
Associate Editor

- Reviewed and selected manuscripts for publication

826 Valencia **San Francisco, California** **June 2012-Dec. 2012**
Writing Tutor

- Tutored high school students on writing personal essays and college entrance essays
- Assisted middle school students with writing articles for their school magazine

Kosciusko County Jail **Warsaw, Indiana** **June 2009 - June 2010**
Literacy Teacher

- Taught poetry, story-telling, and essay-writing to one class of incarcerated men and one class of incarcerated women each week

Giverny Fitness Studio **Winona Lake, Indiana** **Jan 2010 -**
June 2010

Yoga Teacher

- Taught two engaging and dynamic weekly yoga classes

Unitarian Universalist Fellowship of Flagstaff, Flagstaff, Arizona **Sept 2008 - Mar 2009**
Director of Religious Education

- Oversaw and helped design curriculum for grade school age children at church
- Met monthly with and taught new volunteers



PLANNING COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
CHRIS SPIVEY PO Box 312	747-6636 w 738-2524 c spi3050@yahoo.com	12/11/12 1/28/14	2/8/14 1/28/17	CHAIR
DARRELL WINDSOR PO Box 1973	738-4046 c dwindsor@gci.net	6/28/11 6/24/14	6/28/14 6/24/17	VICE CHAIR
RICHARD PARMELEE 405 Hemlock Street	747-3077 w 738-0606 c 747-3461 h rjparmelee@gmail.com	5/8/07 4/27/10 4/23/13	5/8/10 4/27/13 4/23/16	Would like to resign once a replacement is found
DEBRA POHLMAN 506 Arrowhead Street	623-0417 dpohlarbear@gmail.com	6/25/13	6/25/16	
RANDY HUGHEY 220 Lakeview Drive	738-2999 c randywhughey@gmail.com	2/24/15 10/13/15	10/23/15 10/13/18	
Michael Scarcelli Senior Planner	747-1815 michael.scarcelli@cityofsitka.org			Staff Liaison
Maegan Bosak Planning and Community Development Director	747-1824 maegan.bosak@cityofsitka.org			
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Secretary



5 members from public, 3-year terms
 Established by Ordinance 74-118/SGC2.18 & Charter Article VIII
 Must be registered to vote
 First and Third Tuesdays 7:00 p.m. – Sealing Cove Business Center

**CONFLICT OF INTEREST FORMS
 OATHS OF OFFICE**

Revised: October 14, 2015



Legislation Details

File #: ORD 15-49 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/2/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Amending Sitka General Code Chapter 4.06 "Proceeds from Raw Water Sale Contracts" by modifying section 4.06.102 "Reimbursing expenditures from other funds relating to the sale of raw water, maintenance of raw water distribution infrastructure, or retention of water rights", section 4.06.103 "Expenditure of net assets of the raw water sale fund", and section 4.06.104 "Allocation of revenues from sales of raw water at Gary Paxton Industrial Park"

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-49](#)

Date	Ver.	Action By	Action	Result
10/13/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-49 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-49

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 4.06 "PROCEEDS FROM RAW WATER SALE CONTRACTS" BY MODIFYING SECTION 4.06.102 "REIMBURSING EXPENDITURES FROM OTHER FUNDS RELATING TO THE SALE OF RAW WATER, MAINTENANCE OF RAW WATER DISTRIBUTION INFRASTRUCTURE, OR RETENTION OF WATER RIGHTS", SECTION 4.06.103 "EXPENDITURE OF NEW ASSETS OF THE RAW WATER SALE FUND", AND SECTION 4.06.104 "ALLOCATION OF REVENUES FROM SALES OF RAW WATER AT GARY PAXTON INDUSTRIAL PARK"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to amend sections 102, 103 and 104 of chapter 4.06 of the Sitka General Code to allow for the City Administrator to disburse funds from raw water sale contracts without the need for Assembly approval.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka section 4.06.102, 103 and 104 are amended to read as follows (new language underlined; deleted language stricken):

Chapter 4.06

Proceeds from Raw Water Sale Contracts

4.06.102 Reimbursing expenditures from other funds relating to the sale of raw water, maintenance of raw water distribution infrastructure, or retention of water rights

Any fund of the city and borough of Sitka which expends funds in order to facilitate the sale of raw water, negotiate raw water sale contracts, construct or maintain raw water distribution infrastructure, or pursue legal or regulatory action to maintain water rights may request of the administrator up to \$50,000, or the assembly for amounts exceeding this amount, that such expenditures be reimbursed out of the assets of the raw water sale fund. Upon approval of the request, such reimbursements will be accomplished by the finance department. Such requests may be made whenever appropriate, but shall not be made on a basis more often than quarterly. The assembly and administrator will consider recommendations from the GPIP board prior to disbursing funds.

43 **4.06.103 Expenditure of net assets of the raw water sale fund.**

44 At any time, the administrator or the assembly of the city and borough of Sitka may authorize the
45 transfer of the net assets of the raw water sale fund to any other fund within the city and borough
46 of Sitka to be used for expenditures deemed appropriate by the assembly. The assembly will
47 consider recommendations from the GPIP board and administrator prior to transferring raw water
48 sale fund assets. For purposes of this section, net assets shall be defined as the assets of the raw
49 water sale fund, less any liabilities. Any contractually mandated deposits for exclusive rights to
50 purchase raw water from the city and borough of Sitka shall be defined as deposits until such
51 deposits are either earned through application towards future water sales or through the
52 expiration of the time period to exercise such rights.

53 **4.06.104 Allocation of revenues from sales of raw water at Gary Paxton Industrial Park.**

54 In the allocation of revenues from the raw water sale fund, the assembly and administrator will
55 strive to ensure that the GPIP has adequate resources to market, manage and administer the
56 assets of the park with the goal of maximizing economic returns to the community. Further, the
57 assembly will allocate funds as it deems appropriate to other departments of the CBS.

58
59 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the
60 date of its passage.

61 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
62 Sitka, Alaska this 27th day of October, 2015.

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Mim McConnell, Mayor

66 ATTEST:

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70 _____
Sara Peterson, CMC

71 Municipal Clerk

72

73



Legislation Details

File #: ORD 15-50 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/2/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Amending the penalty section of Sitka General Code at Title 8, Chapter 4, entitled "Animal Protection and Control" that would allow individuals to dispose of animal control violations through a bailable fine schedule or have the option to appear before a judicial officer in a court proceeding

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-50](#)

Date	Ver.	Action By	Action	Result
10/13/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-50 on second and final reading.

P O L I C E

DEPARTMENT

MEMO

City and Borough of Sitka

To:	City Administrator Mark Gorman
From:	Chief Sheldon Schmitt
Subject:	Animal Control Ordinance Revision
Date:	October 7, 2015

This past year we were notified by the State Court system that the State had identified some clarification necessary to Sitka General Code Title Eight, Chapter four entitled "Animal Protection and Control".

Essentially the current ordinance doesn't say that "fines are amendable to disposition". The State says City code must have language that gives people the option to pay the fine to dispose of the citation. Anything not on the fine schedule is a mandatory court appearance (if we want the violator to go to court, it shouldn't be on the fine schedule).

Currently, if a violator doesn't pay a citation, the court looks at our code, does not see a fine schedule referenced, and therefore makes the assumption that all animal control minor offenses have mandatory court appearances and are fined at the maximum amount allowed by current code (\$500).

The City has been functioning as if the code said this already. People have been allowed to pay their citation and not appear in court. However, in the event that someone doesn't pay their fine, and the citation goes to collections, in the eyes of the court that defendant has also failed to appear in court and they will be fined at the maximum amount allowed by code (\$500). As a result, a number of citations are being held in default by the Court and are not being sent to collections.

This change will allow these citations to be sent to collections and the defendant to be held responsible for the appropriate citation amount. Passing this ordinance will better articulate the actual intent of City Code and bring it in line with current practice.

FINE SCHEDULE FOR ANIMAL CONTROL OFFENSES

SGC 8.04.210

A defendant charged with one of the offenses below may dispose of the charges as provided in AS 12.25.195-.230, without court appearance, by paying the fine amount listed in the fine schedule below, plus the applicable state surcharge required by AS 12.55.039 and AS 29.25.074.

Ordinance	Offense Description	1 st	2 nd	3 rd	4 th and subsequent offenses
8.04.020	Licensing	\$25	\$50	\$100	\$300
8.04.030	Failure to display	\$25	\$50	\$100	\$300
8.04.031(A)	Running at Large	\$25	\$50	\$100	\$300
8.04.031(C)	Dog in open truck	\$25	\$50	\$100	\$400
8.04.033(A)(1)-(A)(11)	Off-leash area rules	\$25	\$50	\$100	\$300
8.04.070	Dog in season	\$25	\$50	\$100	\$400
8.04.080(A)	Objectionable dog – barking	\$25	\$50	\$100	\$300
8.04.080(B)	Objectionable dog – defecate, dig or damage property	\$25	\$100	\$200	\$400
8.04.080(C)	Objectionable dog – snap, chase, menace	\$25	\$50	\$100	\$300
8.04.080(D)	Objectionable dog – disturb wildlife	\$25	\$50	\$100	\$300
8.04.080(E)	Objectionable – other animal running at large	\$25	\$50	\$100	\$300
8.04.080(F)	Objectionable dog – bite	\$50	\$100	\$200	\$400
8.04.081	Potentially dangerous and dangerous dogs	\$50	\$100	\$200	\$400
8.04.084	On-premises confinement	\$50	MCA		
8.04.085	Off-premises confinement	\$50	MCA		
8.04.086	Notification of change of status	\$50	MCA		
8.04.087	Signs for potentially or dangerous dog	\$50	MCA		
8.04.088	Dangerous tag displayed	\$50	MCA		
8.04.092	Sanitary disposal requirements	\$50	\$100	\$200	\$400
8.04.093	Use of dog park	\$50	\$100	\$200	\$400
8.04.100	Immunization for rabies	\$50	\$100	\$200	\$400
8.04.110	Dead animals	\$50	\$100	\$200	\$400
8.04.160	Keeper of domestic animal in public building	\$50	\$100	\$200	\$400
8.04.170	Owner of public building	\$50	\$100	\$200	\$400
23.30.020(G)(1)	Moller Park fenced ball field	\$300	\$350	\$400	\$500
23.30.020(G)(2)	Lower Moller and Kimsham (Krueger) Multiuse Fields	\$100	\$200	\$300	\$500
23.30.020(G)(3)	Sports fields at Kimsham Rec Center	\$100	\$200	\$300	\$500
23.30.020(G)(4)	Municipal playgrounds	\$100	\$200	\$300	\$500

If the offense is not listed on this table, then a court appearance is mandatory.

Effective Date: October XX, 2015.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-50

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE PENALTY SECTION OF SITKA GENERAL CODE AT TITLE 8, CHAPTER 4, ENTITLED "ANIMAL PROTECTION AND CONTROL" THAT WOULD ALLOW INDIVIDUALS TO DISPOSE OF ANIMAL CONTROL VIOLATIONS THROUGH A BAILABLE FINE SCHEDULE OR HAVE THE OPTION TO APPEAR BEFORE A JUDICIAL OFFICER IN A COURT PROCEEDING

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to amend SGC 8.04.210 entitled "Penalties" to clarify an individual's rights when issued citations for animal control offenses. A person is allowed to dispose of the citation by paying the fine and surcharge as established by the fine schedule for animal control offenses or the individual has the right to appear before a judicial officer of the Alaska Court System to dispute the violation. In addition, ordinance 2010-25 that modified penalty provisions of SGC was passed by the Sitka assembly on September 14, 2010, inadvertently omitted information to the public advising where the fine schedule can be reviewed. This ordinance will allow the public to access that information.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 8.04 is amended as set out below (new language underlined; deleted language stricken):

Title 8

Chapter 8.04 Animal Protection and Control

8.04.210 Penalties.

A. The maximum penalty for violation of the provisions of this chapter is five hundred dollars. ~~Standard penalties shall be determined by the chief of police in consultation with the animal hearing board.~~

B. The chief of police shall establish a fine schedule for the offenses in this chapter and include offenses and/or additional penalties as listed in SGC 23.30.020.

1. The fine schedule shall be entitled "Fine Schedule for Animal Control Offenses," and shall include the effective date of the fine schedule.

49 2. The Fine Schedule for Animal Control Offenses shall list the number of the ordinance
50 that defines the offense, the name of the offense and the amount of the fine for the offense. The
51 fine must be a specific dollar amount. It cannot be a range of amounts.
52

53 3. The Fine Schedule for Animal Control Offenses shall be published on the Sitka Police
54 Department website under the tab for “Animal Control”, and copies shall be posted at the Sitka
55 Animal Shelter and Sitka Police Department.
56

57 4. If a citation has been issued for an offense listed on the Fine Schedule for Animal
58 Control Offenses, a person has the option to state, in writing, on a copy of the citation or a form
59 provided by the court system, that they want to:

- 60 a. dispose of the citation without court appearance by paying the fine amount plus the
61 state surcharge as provided in AS 12.25.195 -.230, AS 12.55.039 and AS 29.25.074.
62 The total amount of fine and state surcharge will be listed on the citation, as well as
63 the date the payment is due; or
64 b. appear in court for a hearing or trial.
65

66 5. The fines under this subsection may not be judicially reduced.
67

68 C. If a citation has been issued for an offense not listed on the fine schedule, the defendant
69 must appear in court to answer to the charges.
70

71 DB. The court shall have the power to review all actions under this chapter and to fashion
72 remedies in accordance with it.
73

74 ~~C. A keeper and/or custodian of a dog at sports field or municipal playground as defined in~~
75 ~~Section 23.30.020(I) who fails to immediately remove all fecal matter left by the dog on such~~
76 ~~property shall be subject to a fifty dollar fine for the first offense, one hundred dollars for the~~
77 ~~second offense and mandatory court appearance for the third and subsequent offenses subject to~~
78 ~~maximum penalty of five hundred dollars.~~
79

80 E. For purposes of this section, prior offenses must be within the previous five years and shall
81 be charged to the keeper and/or custodian and not a particular animal.
82

83 5. **EFFECTIVE DATE.** This ordinance becomes effective the date after passage.
84

85 PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of
86 Sitka, Alaska this 27th day of October, 2015.
87

88
89 _____
Mim McConnell, Mayor

90 ATTEST:

91
92 _____
93 Sara Peterson, MMC
94 Municipal Clerk



Legislation Details

File #: ORD 15-51 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 10/6/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Amending Sitka General Code Title 22 Zoning to allow conditional use permits to be approved by the Planning Commission with appeal rights to the Assembly acting as the Board of Adjustment

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 2015-51](#)

Date	Ver.	Action By	Action	Result
10/13/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-51 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planning and Community Development Director *WB*
Michael Scarcelli, Senior Planner *MS*

Subject: Ordinance 2015-51 Amending Conditional Use Permit Regulations to Allow Planning Commission Approval with Appeal to the Board of Adjustment.

Date: October 2, 2015

The Planning Commission is recommending approval¹ of a zoning text amendment to modify SGC Sections 22.30.050 (F), 22.30.060, 22.30.160(C), 22.30.370(3)(a), 22.24.010-2, and all supporting code sections to allow for the approval of Conditional Use Permits by the Planning Commission with rights of appeal to the Board of Adjustment. The request is filed by the City and Borough of Sitka and sponsored by the Administrator.

The purpose of this ordinance is to 1) allow conditional use permits to be approved by the Planning Commission with appeal rights to the Assembly acting as the Board of Adjustment and 2) clarify internally inconsistent provisions in the Chapter 22 Zoning- Special Use Permits 22.24 and Zoning Code Administration 22.30 regulations. The intent is to streamline the conditional use permit process, making it less arduous for citizens and policymakers, while allowing for due public process and appeal rights.

The intent of the code revision is to allow for a concise, yet thorough, public review of conditional use proposals at the Planning Commission level. This process requires a noticed public hearing to take testimony, hear evidence, consider the facts germane to the issues, and evaluate the proposal for consistency with the Comprehensive Plan, Code, and other applicable plans and regulations. Items requiring further review may be carried over by the Planning Commission to gather sufficient information to make a decision. Moreover, any aggrieved party may seek review of a denied or approved item to the Assembly acting as the Board of Adjustment.

The proposed zoning text amendment is consistent with the following Comprehensive Plan Sections: 2.2.12 Eliminate regulations that are adverse to the community's needs; 2.4.4 to resolve land use conflicts through a public process; and 2.4.22 to update zoning regulations to create internally consistent land use codes that reflect aspirations of the Comprehensive Plan.

¹ **MOTION: M/S WINDSOR/PARMELEE** moved to adopt findings that this amendment comported with the SGC and Comprehensive Plan, did not adversely impact the public, health, safety, and welfare, and to recommend approval to the City Assembly of a proposed zoning text amendment... **ACTION: Motion PASSED unanimously 5-0.**

Recommendation: Approve the ordinance.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2015-51

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING SITKA
GENERAL CODE TITLE 22 ZONING TO ALLOW CONDITIONAL USE PERMITS TO BE
APPROVED BY THE PLANNING COMMISSION WITH APPEAL RIGHTS TO THE
ASSEMBLY ACTING AS THE BOARD OF ADJUSTMENT

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to 1) allow conditional use permits to be approved by the Planning Commission with appeal rights to the Assembly acting as the Board of Adjustment and 2) clarify internally inconsistent provisions in the Chapter 22 Zoning- Special Use Permits 22.24 and Zoning Code Administration 22.30 regulations. The intent is to streamline the conditional use permit process, making it less arduous for citizens and policymakers, while allowing for due public process and appeal rights.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough to revise the following sections of SGC Titles 22 as listed below (new language underlined; deleted language stricken):

Chapter 22.24
SPECIAL USE PERMITS

Sections:

- 22.24.005 General.
- 22.24.010 Conditional uses.
- 22.24.020 Variances.
- 22.24.025 Commercial home horticulture permits.
- 22.24.030 Planned unit developments.
- 22.24.040 Binding site plan approval.
- 22.24.050 Nonconforming use permit.

22.24.005 General

Special permits are necessary for conditional uses, variances, planned unit developments, binding site plans and nonconforming uses. This chapter includes provisions for application, review and approval of these permits. Chapter 22.30, Article III, of this code provides procedural requirements associated with permit processing. (Ord. 02-1683 § 4 (part), 2002.)

22.24.010 Conditional uses

A conditional use is a use that may not be appropriate in a particular zoning district according to the character, intensity, or size of the lot or the surrounding uses. This section establishes decision criteria and procedures for special uses, called conditional uses, which possess unique characteristics. The conditional use permit

51 procedure is intended to afford the municipality the flexibility necessary to make determinations appropriate to
 52 individual sites. The commission may attach conditions necessary to mitigate external adverse impacts. If the
 53 municipality determines that these impacts cannot be satisfactorily overcome, the permit shall be denied.

54 A. Submittal Requirements for Conditional Use Applications. Table 22.24.010-1 provides application
 55 requirements for all conditional use permits.

Table 22.24.010-1

Conditional Use Permit Application Requirements

Conditional Uses	Bed and Breakfast Conditional Uses	Short-Term Rental Conditional Uses	Island Conditional Uses
<p>The applicant may be required to consult with agencies that are responsible for certain portions of the project review. These agencies may include but not be limited to public works and engineering for sewer/water utilities; state DOT/PF; State Department of Environmental Conservation; Army Corps of Engineers; Sitka fire department; local telephone utility; cable television utility; electric department.</p> <p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, parking and traffic circulation, building coverage and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, vehicular and pedestrian circulation, open space and recreation areas, parking layout, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout 	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, building coverage, waterfront use, clearing, changes to existing visual appearance, and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, open space and recreation areas, waterfront development, clearing, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; conceptual drawings of

if required; • Site grading and drainage plan including present and proposed topography; • Conceptual drawings of proposed buildings, signs, and other features that may be required by the administrator.			proposed buildings, and other features that may be required by the administrator.
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1. Conditional use permit application initiation periods and termination periods are outlined in Table 22.24.010-2.

Table 22.24.010-2

Initiation and Termination Periods

	Short-Term Rental Conditional Use Permits	Bed and Breakfast Conditional Use Permits	Interim Mobile Homes Conditional Use	All Other Conditional Use Permits
Period in which the permit must be activated following <u>assembly Planning Commission</u> approval or permit becomes void	One year	One year	One year	Two years
If permit is not used during period, permit becomes void after activation	One year	One year	One year	Two years
Mandatory review period ¹	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval
Number of years after approval that permit sunsets	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval	Set by <u>assembly Planning Commission</u> at time of approval

Note (1): It shall be the responsibility of the applicant to submit materials one month prior to the end of any review period. Failure to submit materials within the time specified shall automatically void the approval.

Note (2): It is recognized in land use case law that conditional use permits are grants to a property and run with the parcel and not the owner.

Note (3): Substantial construction progress must be made on a project approved through the variance process within one year of the date of the variance approval or the approval becomes void. In the event it can be documented that other substantial progress has been made, a one-year extension may be granted by the planning commission if a request is filed within eleven months of the initial approval.

59

B. Conditional Use Permit Provisions for Bed and Breakfasts.

60
61

1. The information and assurances filed by the applicant for a bed and breakfast conditional use at the time of application shall be binding on all current and future owners of the facility.

- 62 2. There shall be no expansion in the number of guest rooms beyond the number approved.
- 63 3. The number of bed and breakfast sleeping rooms per residence shall be limited to three rooms in an
64 R-1 or related zone and five rooms in an R-2 or related zone.
- 65 4. In no case shall a bed and breakfast be operated in any residence other than an owner-
66 occupied dwelling.
- 67 5. The owner of the residence shall operate the bed and breakfast at all times and shall not contract
68 out the day-to-day management of the operation. In the event the operation or management of the bed
69 and breakfast is conducted by a tenant or party other than the owner who lives in the residence,
70 the conditional use permit shall automatically become void.
- 71 6. Bed and breakfast guestrooms are intended to be spare or surplus guestrooms in owner-
72 occupied single-family dwellings or an owner-occupied unit of a two-family dwelling that are not needed
73 by the owner of the structure for household activities.
- 74 7. Permits shall lapse and become void if the bed and breakfast ceases operation for twelve
75 consecutive months.
- 76 8. There shall be no more than one exterior sign. The sign shall not exceed four square feet.
- 77 9. There shall be a minimum of one off-street parking space for every three guestrooms in bed and
78 breakfast establishments located in single-family residential zones.
- 79 10. Existing bed and breakfasts which do not conform to these rules shall be considered
80 nonconforming uses and subject to the rules relating to nonconforming uses.
- 81 11. It is the intent of the assembly that the provisions of these requirements be strictly followed.
82 However, exceptions may be granted in cases of extreme need or extreme personal or financial
83 hardship. The limitation on the number of the rooms and the use of single-family occupied structures will
84 not be eligible for hardship relief.
- 85 12. For establishment of a bed and breakfast establishment in an existing structure in an R-1 zone,
86 only existing bedrooms may be used for guest rooms.
- 87 13. Limited cooking facilities shall only be allowed inside guestrooms, or inside other rooms that are
88 used solely by the bed and breakfast, such as small toaster ovens, microwaves, and refrigerators.
- 89 14. Timely payment of sales taxes shall be one of the primary indicators of compliance with this
90 section.
- 91 15. When the ~~assembly~~ **Planning Commission** approves a permit with the condition referring to the
92 number of children in the facility, the term "children" shall refer to individuals who are fifteen years old or
93 younger.
- 94 C. Conditional Use Permit Provisions for Short-Term Rentals.
- 95 1. Short-term rental establishments as described in subsection F of this section shall be approved
96 as conditional uses in the R-1, R-1 MH, R-1 LD, R-1 LDMH, R-2, and R-2 MHP zoning districts with the
97 following conditions:
- 98 a. Existing short-term rentals operating in conformance with all other applicable regulations prior
99 to the effective date of the ordinance codified in this section may continue operating as
100 nonconforming uses so long as payments of bed taxes and any other fees are current.

- 101 b. The permit application and process will be the same as that required for bed and breakfasts,
102 including submission and review of both interior and exterior site plans.
- 103 c. Increase in density and other impacts on the immediate surrounding neighborhood which
104 would occur as a result of approval of short-term rentals may be a consideration in the granting of
105 the permit.
- 106 d. Cessation of an approved short-term rental operation for twelve consecutive months shall
107 result in revocation of the permit and require reapplication and approval of a new conditional
108 use permit. Timely payment of sales taxes shall be one of the primary indicators of compliance with
109 this section.
- 110 e. When the ~~assembly~~ **Planning Commission** approves a permit with the condition referring to
111 the number of children in the facility, the term "children" shall refer to individuals who are fifteen
112 years old or younger.
- 113 2. Short-term rentals shall be allowed in the other zoning districts subject to the following general rules:
- 114 a. There shall be two parking spaces per dwelling unit.
- 115 b. The number of persons per sleeping area shall comply with the municipal fire code.
- 116 c. Upon filing for sales tax and bed tax accounts, an owner shall obtain a life safety inspection by
117 the building department and shall comply with the requirements proposed by the department.
- 118 d. Legal nonconforming short-term rentals shall comply with these general rules within two years.
- 119 e. Short-term rentals may only be approved for mobile homes that are located
120 along streets maintained by the city and borough or the state of Alaska.
- 121 D. Conditional Use Permit Provisions for Mobile Homes on an Interim Basis in the R-1, R-2 and Related
122 Zones.
- 123 1. The city and borough of Sitka, through the conditional use permit process, may issue a permit for a
124 single-family mobile home or travel trailer on a residential lot in an area not otherwise allowing mobile
125 homes on an interim basis for the purposes of facilitating home construction.
- 126 2. The maximum term of the permit is twelve months with a possible six-month extension.
- 127 3. Full utilities must be installed for the mobile home or travel trailer.
- 128 4. Conditions attached to the approval shall include but are not limited to (a) a pledge of the travel
129 trailer, mobile home, or cash of equivalent value as collateral, and (b) in the event a travel
130 trailer or mobile home is pledged as collateral, fund sufficient to cover the cost of removal and disposal
131 of the unit, and (c) the trailer is for the sole occupancy of the lot owner and neither unit shall be occupied
132 by any other party. Other conditions may include requirements of fencing or landscaping.
- 133 E. In evaluating the inputs of a proposed conditional use permit, the municipality may consider
134 a commercial conditional use to be inappropriate for residential neighbors while the same conditional use may
135 be acceptable when it is located along an arterial or collector street. The additional vehicular traffic generated
136 by conditional uses, such as professional offices, may not be able to be adequately mitigated
137 in residential areas.
- 138 1. Criteria to Be Used in Determining Impacts of Conditional Uses.

- 139 a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses.
- 140 b. Amount of noise to be generated and its impacts on surrounding land uses.
- 141 c. Odors to be generated by the use and their impacts.
- 142 d. Hours of operation.
- 143 e. Location along a major or collector street.
- 144 f. Potential for users or clients to access the site through residential areas or
145 substandard street creating a cut through traffic scenario.
- 146 g. Effects on vehicular and pedestrian safety.
- 147 h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site.
- 148 i. Logic of the internal traffic layout.
- 149 j. Effects of signage on nearby uses.
- 150 k. Presence of existing or proposed buffers on the site or immediately adjacent the site.
- 151 l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and
152 objectives of the comprehensive plan.
- 153 m. Other criteria that surface through public comments or planning commission assembly review.

154 F. Evaluation and Approval or Denial of Conditional Use Applications for Island Properties. It is the intent of
155 this code to recognize the unique qualities of islands within Sitka Sound and the substantial differences that
156 exist between individual islands and island groups.

157 Specific conditional uses may be fully appropriate in certain circumstances and on specific parcels. Uses that
158 are well designed and/or have low impact may enhance surrounding properties and may not create any
159 impacts. Examples may include structures that are built on larger lots away from exterior property lines, uses
160 that are placed in the middle of parcels, uses that do not materially increase activity on easements or moorage,
161 uses where there is a significant vegetative or terrain buffer between properties, and islands that are separated
162 by substantial distances. In these cases, conditional use requests can and should be handled expeditiously.

163 Conditional uses on other properties may be totally inappropriate due to the concerns such as impacts on
164 adjacent properties, lack of vegetative or distance buffers, noise generation, unmitigated increased usage of
165 access easements, available moorage, location on parcels, and design.

- 166 1. Items to be considered in evaluating island conditional use permits include, but are not limited to,
167 the following:
 - 168 a. Location on the lot or island.
 - 169 b. Generation of noise.
 - 170 c. Numbers of guests and employees.
 - 171 d. Visibility from adjacent uses including waterborne traffic.
 - 172 e. Use of common access easements.

- 173 f. Availability of necessary moorage.
- 174 g. Use of natural or manmade screening or buffers.
- 175 h. Availability of municipal power.
- 176 i. Distance from adjacent parcels or islands.
- 177 j. Removal of excessive amounts of vegetation.

178 It is recognized that many applications may be strongly supported after using the criteria above.

179 If adequate mitigation cannot be accomplished or items such as necessary infrastructure are not available,
180 applications may be denied.

181 (Ord. 06-16 § 4, 2006; Ord. 05-16 § 4(O), (P), 2005; Ord. 04-60 § 4(F), (G), (U), 2004; Ord. 02-1683 § 4 (part), 2002.)
182

183 **Article II. Administration**

184 **22.30.020 Roles and responsibilities.**

185 A. The regulation of land development is a cooperative activity involving different elected and appointed
186 boards and city staff. The specific responsibilities of these bodies are set forth below.

187 B. Applicants are expected to read and understand the city development code and be prepared to fulfill the
188 obligations placed on applications for development approvals defined in Title 21 and this title of the Sitka
189 General Code.

190 (Ord. 02-1683 § 4 (part), 2002.)

191 **22.30.030 Administrator.**

192 The term "administrator" shall mean the city and borough administrator, or an individual operating with his/her
193 express knowledge on his/her behalf. Said individual may include, but is not limited to, the planning director or
194 planning assistant. The administrator is responsible for the administration of this title and shall review and act
195 on the following:

196 A. Administrative Interpretation. Upon request or as determined necessary, the administrator shall interpret
197 the meaning or application of the provisions of said titles and issue a written administrative interpretation. All
198 administrative determinations shall be reported to the planning commission within a reasonable period of time
199 following their issuance.

200 B. Nonconforming use permits.

201 C. Administrative approvals as set forth in Section 22.30.150.

202 D. Permit Procedures. The administrator shall determine the proper procedure for all development
203 applications.

204 (Ord. 04-60 § 4(D) (part), 2004; Ord. 02-1683 § 4 (part), 2002.)

205 **22.30.040 Assembly.**

206 In addition to its legislative responsibility, the assembly shall review and act on the following subjects:

207 A. Recommendations of the planning commission.

208 B. Appeal of planning commission recommendations and decisions.

209 (Ord. 02-1683 § 4 (part), 2002.)

210 **22.30.050 Planning commission.**

211 The planning commission shall be constituted in accordance with Chapter 2.18 of this code and the Sitka Home
212 Rule Charter and shall have the responsibility of reviewing and acting on the following:

213 A. Recommendations to the assembly on approvals of subdivisions, planned unit developments, and binding
214 site plans.

215 B. Recommendations to the assembly on amendments to the comprehensive plan.

216 C. Recommendations to the assembly on amendments to the subdivision code, Title 21 of this code.

217 D. Recommendations to the assembly on amendments to the zoning code, this Title 22, or the official map.

218 E. Approve variances with appeals possible to the assembly.

219 F. Recommendations Approve conditional use permit applications with appeals possible to the assembly.

220 G. Other actions requested or remanded by the assembly.

221 (Ord. 04-60 § 4(R), (S), 2004.)

222 **22.30.060 Board of Adjustment**

223 The assembly of the city and borough shall function as the board of adjustment with the authority to:

224 ~~A. Approve or deny conditional use permits.~~

225 ~~B~~ A. Consider appeals of variances or conditional use permits.

226 ~~C~~ B. Hear appeals of administrative approvals or denials.

227 (Ord. 04-60 § 4(R), 2004.)

228

229 **22.30.160 Planning commission review and recommendation decision.**

230 Planning commission decision and action authority is defined in Section 22.30.050.

231 A. Staff Report. The administrator shall prepare a staff report on the proposed development or action
232 summarizing any comments, analysis, and recommendations of city departments, affected agencies and
233 special districts, evaluating the development's consistency with the comprehensive plan, code, and other
234 adopted plans and regulations. The staff report may include findings, conclusions or proposed
235 recommendations for disposition of the development application.

236 B. Hearing. The planning commission shall conduct a public hearing on development proposals for the
237 purpose of taking testimony, hearing evidence, considering the facts germane to the proposal, and evaluating
238 the proposal for consistency with the city's comprehensive plan, code, and other adopted plans and
239 regulations. Notice of the planning commission hearing shall be in accordance with Article IV of this chapter.

240 C. Required Findings for Conditional Use Permits. The planning commission shall not ~~recommend approval~~
241 ~~of~~ approve a proposed development unless it first makes the following findings and conclusions:

- 242 1. The city may use design standards and other elements in this code to modify the proposal.
243 A conditional use permit may be approved only if all of the following findings can be made regarding the
244 proposal and are supported by the record that the granting of the proposed conditional use permit will
245 not:
- 246 a. Be detrimental to the public health, safety, and general welfare;
 - 247 b. Adversely affect the established character of the surrounding vicinity; nor
 - 248 c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site
249 upon which the proposed use is to be located.
- 250 2. The granting of the proposed conditional use permit is consistent and compatible with the intent of
251 the goals, objectives and policies of the comprehensive plan and any implementing regulation.
- 252 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be
253 monitored and enforced.
- 254 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to
255 protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from
256 such hazard.
- 257 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and
258 services; or that conditions can be imposed to lessen any adverse impacts on such facilities and
259 services.
- 260 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets
261 all of the criteria in subsection B of this section.
- 262 The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional
263 use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design
264 standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the
265 granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general
266 criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and
267 may base conditions or safeguards upon them. The assembly and planning commission may require the
268 applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general
269 approval criteria are as follows:
- 270 1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and
271 subsurface drainage and water quality, and the possible or probable effects of the proposed conditional
272 use upon these factors;
 - 273 2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire
274 protection, access and electrical power; the assembly and planning commission may enlist the aid of the
275 relevant public utility officials with specialized knowledge in evaluating the probable effects of the
276 proposed use and may consider the costs of enlarging, upgrading or extending public utilities in
277 establishing conditions under which the conditional use may be permitted;
 - 278 3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height
279 of structures;
 - 280 4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including
281 hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics,
282 trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation
283 and open space requirements;

284 5. Community appearance such as landscaping, fencing and screening, dependent upon the specific
285 use and its visual impacts.

286 D. Required Findings for Variances.

287 1. Required Findings for Variances Involving Major Structures or Expansions. Before any variance is
288 granted, it shall be shown:

289 a. That there are special circumstances to the intended use that do not apply generally to the
290 other properties. Special circumstances may include the shape of the parcel, the topography of
291 the lot, the size or dimensions of the parcels, the orientation or placement of existing structures, or
292 other circumstances that are outside the control of the property owner;

293 b. The variance is necessary for the preservation and enjoyment of a substantial property right or
294 use possessed by other properties but are denied to this parcel; such uses may include the
295 placement of garages or the expansion of structures that are commonly constructed on other
296 parcels in the vicinity;

297 c. That the granting of such a variance will not be materially detrimental to the public welfare or
298 injurious to the property, nearby parcels or public infrastructure;

299 d. That the granting of such a variance will not adversely affect the comprehensive plan.

300 2. Required Findings for Minor Expansions, Small Structures, Fences, and Signs.

301 a. The municipality finds that the necessary threshold for granting this variance should be lower
302 than thresholds for variances involving major structures or major expansions;

303 b. The granting of the variance is not injurious to nearby properties or improvements;

304 c. The granting of the variance furthers an appropriate use of the property.

305 E. Required Findings for Appeals. Appeals of any decisions regulated by this title shall only be granted when
306 the designated appeal body determines that the subject permit approval or denial was in error. The appeal
307 body shall base its decision on new evidence or proof of procedural error in the prior action. The appellant shall
308 bear the burden of proof of proving that the decision was in error.

309 F. Required Findings for Code Amendments. Article VIII of this chapter contains standards for amendments
310 to administrative permits, special use permits, the development standards, and the official map.

311 (Ord. 04-60 § 4(J), (K), (L), 2004; Ord. 02-1683 § 4 (part), 2002.)

312
313 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of
314 its passage.

315
316 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
317 Alaska this 27th day of October 2015.

318

319

Mim McConnell, Mayor

320 ATTEST:

321

322

323 _____
Sara Peterson, CMC

324 Municipal Clerk

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
ZONE CHANGE APPLICATION

ZONE MAP AMENDMENT FEE	\$100.00
ZONE TEXT AMENDMENT FEE	\$100.00
<i>Plus current city sales tax</i>	

Applicant's Name: CBS Planning + Community Development Department

Phone Number: _____

Mailing Address: _____

Applicant's Signature: Muyn Bossink Date Submitted _____

Provide information or data, as necessary, to fully outline the reasons and justifications for the request. Attach additional sheets as necessary.

- For official map amendments, the application shall contain:
1. A legal description of *each* subject property along with the owner's name, address, and contact person for *each* subject property;
 2. An analysis showing the public benefit of the proposed amendment;
 3. An analysis showing the proposal's consistency with the Comprehensive Plan;
 4. A map of the area to be rezoned.

LIST SPECIFIC REQUEST: Allow conditional use permits to be approved or denied by the Planning Commission with appeal rights to the Board of Adjustment.

EXPLANATION OF REQUEST: Adequate public notice and hearing opportunities are granted by the Planning Commission to provide a well thought out motion of decision as opposed to a motion of recommendation to the Assembly.

Appeal rights will be extended to any agrieved party through the Assembly continuing to act as the Board of Adjustment.

After the application and supporting materials has been determined to be complete by the Planning Office, the request will be placed on the next available Planning Comission agenda.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: 9/10/15

From: Maegan Bosak, PCDD

To: Planning Commission

Re: ZTC 15-06 To grant the Planning Commission the authority to approve or disapprove conditional use permits with appeal rights to the Assembly

GENERAL INFORMATION

Applicant: City and Borough of Sitka

Property Owner: N/A

Property Address: N/A

Legal Description: N/A

Parcel ID Number: N/A

Size of Existing Lot: N/A

Zoning: Varies

Existing Land Use: Varies

Utilities: N/A

Access: Varies

Surrounding Land Use: Various

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Application

Attachment B: Multiple Code Pages

PROJECT DESCRIPTION

Request is a zoning text change to allow conditional use permits to be approved or denied by the Planning Commission with appeal rights to the Assembly as the Board of Adjustment. This change would allow the Planning Commission to make a motion of determination as opposed to a recommendation to the Assembly. The intent is to streamline the public process allowing simpler requests to be approved/disapproved in one public hearing if applicable.

Adequate public notice and hearing opportunities are provided through the Planning Commission allowing a well thought out motion of decision as opposed to a motion of recommendation to the Assembly. The Planning Commission will still reserve the right to extend a case over multiple meetings if additional information or public input is required.

Appeal rights will continue to be extended to any aggrieved party through the Assembly continuing to act as needed as the Board of Adjustment.

The goal of this text change is to streamline the conditional use permit process and ease the burden of multiple public meetings on the applicant, notified parties and the Assembly.

BACKGROUND AND ANALYSIS

Multiple code references would be changed to accomplish this zoning text change specifically Chapter 22.24 Special Use Permits, 22.30.020 Zoning Code Administration Roles and Responsibilities, 22.30.040 Assembly, 22.30.050 Planning Commission, 22.30.060 Board of Adjustment, and 22.30.160 Planning Commission review and recommendation. Please see the attached code pages with language to be removed crossed out and language to be added in bold and italicized.

Project Site: varies

Project Design: varies

Traffic: varies

Parking: varies

Noise: varies

Public Health or Safety: varies

Habitat: varies

Property Value or Neighborhood Harmony: varies

Conformity with Comprehensive Plan: The proposed ZTC would be consistent with the Comprehensive Plan section 2.2.6, which declares, "Complement existing economic activities and strive to increase economic diversity."

FINDINGS

None.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Director's analysis and grant the requested zoning text change.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Sitka Planning Commission Agenda

Tuesday, September 15, 2015

Held at Sealing Cove Business Center

601 Alice Loop, Sitka, Alaska

7:00pm

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE AGENDA
- III. CONSIDERATION OF THE MINUTES FROM September 1, 2015
- IV. THE EVENING BUSINESS
 - A. Public hearing and consideration of a final plat for a 5 lot hybrid subdivision at Lot 11, Alice and Charcoal Island Subdivision filed by Shee Atika, Inc. The subdivision will create five lots. The property is also known as Lot 11, Alice and Charcoal Island Subdivision. The request is filed by Shee Atika, Inc. The owner of record is Shee Atika, Inc.
 - B. Public hearing and consideration of a replat of Tract M and immediately adjacent westerly common area of Galankin Island filed by Robert Juranich. Replat will remove the center lot line and merge two lots into one. The property is also known as Tract M of US Survey 3555 and adjacent common area of Galankin Island Subdivision. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.
 - C. **Public hearing and consideration of a proposed zoning text amendment to amend the SGC Sections 22.30.050 (F), 22.30.060, 22.30.160(C), 22.30.370(3)(a), 22.24.010-2, and all supporting code sections to allow for the approval of Conditional Use Permits by the Planning Commission with rights of appeal to the Board of Adjustment. The request is filed by the City and Borough of Sitka.**
 - D. Public hearing and consideration of a variance request filed by Baranof Island Housing Authority for 298 Kaagwaantaan Street. The variance request is for a reduction in the front setback from 20 to 5 feet and the rear setback from 10 to 5 feet for the construction of a single-family home. The property is also known as Lot 4, Allen/Carlson Subdivision. The request is filed by the Baranof Island Housing Authority. The owner of record is the Baranof Island Housing Authority.
 - E. Public hearing and consideration of a conditional use permit for a short-term rental at 722 Biorka Street. The property is also known as a fractional portion of Lot 13 in Block 14, Sitka Townsite, U.S. Survey 1474. The request is filed by Peter Thielke. The owner of record is Peter Thielke.
 - F. Public hearing and consideration of a conditional use permit for a bed and breakfast at 703 Biorka Street. The property is also known as Lot 11, Block 23, Sitka Townsite, and U.S. Survey 1474. The request is filed by Deanna Moore. The owner of record is Deanna Moore.

- V. PLANNING DIRECTOR'S REPORT
- VI. PUBLIC BUSINESS FROM THE FLOOR
- VII. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to planning.comment@cityofsitka.org, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: September 8 and 9.

Chapter 22.24 SPECIAL USE PERMITS

Sections:

- 22.24.005 General.
- 22.24.010 Conditional uses.
- 22.24.020 Variances.
- 22.24.025 Commercial home horticulture permits.
- 22.24.030 Planned unit developments.
- 22.24.040 Binding site plan approval.
- 22.24.050 Nonconforming use permit.

22.24.005 General.

Special permits are necessary for conditional uses, variances, planned unit developments, binding site plans and nonconforming uses. This chapter includes provisions for application, review and approval of these permits. Chapter 22.30, Article III, of this code provides procedural requirements associated with permit processing. (Ord. 02-1683 § 4 (part), 2002.)

22.24.010 Conditional uses.

A conditional use is a use that may not be appropriate in a particular zoning district according to the character, intensity, or size of the lot or the surrounding uses. This section establishes decision criteria and procedures for special uses, called conditional uses, which possess unique characteristics. The conditional use permit procedure is intended to afford the municipality the flexibility necessary to make determinations appropriate to individual sites. The commission may attach conditions necessary to mitigate external adverse impacts. If the municipality determines that these impacts cannot be satisfactorily overcome, the permit shall be denied.

A. Submittal Requirements for Conditional Use Applications. Table 22.24.010-1 provides application requirements for all conditional use permits.

Table 22.24.010-1

Conditional Use Permit Application Requirements

Conditional Uses	Bed and Breakfast Conditional Uses	Short-Term Rental Conditional Uses	Island Conditional Uses
<p>The applicant may be required to consult with agencies that are responsible for certain portions of the project review. These agencies may include but not be limited to public works and engineering for sewer/water utilities; state DOT/PF; State Department of Environmental Conservation; Army Corps of Engineers; Sitka fire department; local telephone utility; cable television utility; electric department.</p> <p>Written Documentation</p>	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p>Written Documentation</p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, building coverage, waterfront use, clearing, changes to existing visual appearance, and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing

<ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, parking and traffic circulation, building coverage and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, vehicular and pedestrian circulation, open space and recreation areas, parking layout, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; • Conceptual drawings of proposed buildings, signs, and other features that may be required by the administrator. 			<p>the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions.</p> <p>Site Plan and Supporting Drawings</p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, open space and recreation areas, waterfront development, clearing, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; conceptual drawings of proposed buildings, and other features that may be required by the administrator.
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1. Conditional use permit application initiation periods and termination periods are outlined in Table 22.24.010-2.

Table 22.24.010-2

Initiation and Termination Periods

	Short-Term RentalConditional UsePermits	Bed and BreakfastConditional Use Permits	Interim Mobile HomesConditional Use	All OtherConditional UsePermits
Period in which the permit must be activated following assembly approval or permit becomes void	One year	One year	One year	Two years
If permit is not used during period, permit becomes void after activation	One year	One year	One year	Two years
Mandatory review period ¹	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval
Number of years after approval that permit sunsets	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval	Set by assembly Planning Commission at time of approval
<p>Note (1): It shall be the responsibility of the applicant to submit materials one month prior to the end of any review period. Failure to submit materials within the time specified shall automatically void the approval.</p> <p>Note (2): It is recognized in land use case law that conditional use permits are grants to a property and run with the parcel and not the owner.</p> <p>Note (3): Substantial construction progress must be made on a project approved through the variance process within one year of the date of the variance approval or the approval becomes void. In the event it can be documented that other substantial progress has been made, a one-year extension may be granted by the planning commission if a request is filed within eleven months of the initial approval.</p>				

B. Conditional Use Permit Provisions for Bed and Breakfasts.

1. The information and assurances filed by the applicant for a bed and breakfast conditional use at the time of application shall be binding on all current and future owners of the facility.
2. There shall be no expansion in the number of guest rooms beyond the number approved.
3. The number of bed and breakfast sleeping rooms per residence shall be limited to three rooms in an R-1 or related zone and five rooms in an R-2 or related zone.

4. In no case shall a bed and breakfast be operated in any residence other than an owner-occupied dwelling.
5. The owner of the residence shall operate the bed and breakfast at all times and shall not contract out the day-to-day management of the operation. In the event the operation or management of the bed and breakfast is conducted by a tenant or party other than the owner who lives in the residence, the conditional use permit shall automatically become void.
6. Bed and breakfast guestrooms are intended to be spare or surplus guestrooms in owner-occupied single-family dwellings that are not needed by the owner of the structure for household activities.
7. Bed and breakfast conditional use requests shall not be considered, reviewed, or approved for single-family structures that have contained an apartment, or additional dwelling unit at any time during a three-year period prior to the submittal of the application for a bed and breakfast conditional use permit. The burden of proof that this requirement has been complied with lies with the applicant.
8. A bed and breakfast establishment shall not be approved if an apartment or other rental is also being operated in the structure or on the same lot. Any apartment rental in the structure or on a lot where a bed and breakfast is operating will automatically void the conditional use permit for bed and breakfast.
9. Permits shall lapse and become void if the bed and breakfast ceases operation for twelve consecutive months.
10. There shall be no more than one exterior sign. The sign shall not exceed four square feet.
11. There shall be a minimum of one off-street parking space for every three guestrooms in bed and breakfast establishments located in single-family residential zones.
12. Existing bed and breakfasts which do not conform to these rules shall be considered nonconforming uses and subject to the rules relating to nonconforming uses.
13. It is the intent of the assembly that the provisions of these requirements be strictly followed. However, exceptions may be granted in cases of extreme need or extreme personal or financial hardship. The limitation on the number of the rooms and the use of single-family occupied structures will not be eligible for hardship relief.
14. For establishment of a bed and breakfast establishment in an existing structure in an R-1 zone, only existing bedrooms may be used for guest rooms.
15. Limited cooking facilities shall only be allowed inside guestrooms, or inside other rooms that are used solely by the bed and breakfast, such as small toaster ovens, microwaves, and refrigerators.
16. Timely payment of sales taxes shall be one of the primary indicators of compliance with this section.
17. When the ~~assembly~~ **Planning Commission** approves a permit with the condition referring to the number of children in the facility, the term "children" shall refer to individuals who are fifteen years old or younger.

C. Conditional Use Permit Provisions for Short-Term Rentals.

1. Short-term rental establishments as described in subsection F of this section shall be approved as conditional uses in the R-1, R-1 MH, R-1 LD, R-1 LDMH, R-2, and R-2 MHP zoning districts with the following conditions:

- a. Existing short-term rentals operating in conformance with all other applicable regulations prior to the effective date of the ordinance codified in this section may continue operating as nonconforming uses so long as payments of bed taxes and any other fees are current.
 - b. The permit application and process will be the same as that required for bed and breakfasts, including submission and review of both interior and exterior site plans.
 - c. Increase in density and other impacts on the immediate surrounding neighborhood which would occur as a result of approval of short-term rentals may be a consideration in the granting of the permit.
 - d. Cessation of an approved short-term rental operation for twelve consecutive months shall result in revocation of the permit and require reapplication and approval of a new conditional use permit. Timely payment of sales taxes shall be one of the primary indicators of compliance with this section.
 - e. When the ~~assembly~~ **Planning Commission** approves a permit with the condition referring to the number of children in the facility, the term "children" shall refer to individuals who are fifteen years old or younger.
2. Short-term rentals shall be allowed in the other zoning districts subject to the following general rules:
- a. There shall be two parking spaces per dwelling unit.
 - b. The number of persons per sleeping area shall comply with the municipal fire code.
 - c. Upon filing for sales tax and bed tax accounts, an owner shall obtain a life safety inspection by the building department and shall comply with the requirements proposed by the department.
 - d. Legal nonconforming short-term rentals shall comply with these general rules within two years.
 - e. Short-term rentals may only be approved for mobile homes that are located along streets maintained by the city and borough or the state of Alaska.

D. Conditional Use Permit Provisions for Mobile Homes on an Interim Basis in the R-1, R-2 and Related Zones.

1. The city and borough of Sitka, through the conditional use permit process, may issue a permit for a single-family mobile home or travel trailer on a residential lot in an area not otherwise allowing mobile homes on an interim basis for the purposes of facilitating home construction.
2. The maximum term of the permit is twelve months with a possible six-month extension.
3. Full utilities must be installed for the mobile home or travel trailer.
4. Conditions attached to the approval shall include but are not limited to (a) a pledge of the travel trailer, mobile home, or cash of equivalent value as collateral, and (b) in the event a travel trailer or mobile home is pledged as collateral, fund sufficient to cover the cost of removal and disposal of the unit, and (c) the trailer is for the sole occupancy of the lot owner and neither unit shall be occupied by any other party. Other conditions may include requirements of fencing or landscaping.

E. In evaluating the inputs of a proposed conditional use permit, the municipality may consider a commercial conditional use to be inappropriate for residential neighbors while the same conditional use may be acceptable when it is located along an arterial or collector street. The additional vehicular traffic generated by conditional uses, such as professional offices, may not be able to be adequately mitigated in residential areas.

1. Criteria to Be Used in Determining Impacts of Conditional Uses.

- a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses.
- b. Amount of noise to be generated and its impacts on surrounding land uses.
- c. Odors to be generated by the use and their impacts.
- d. Hours of operation.
- e. Location along a major or collector street.
- f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario.
- g. Effects on vehicular and pedestrian safety.
- h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site.
- i. Logic of the internal traffic layout.
- j. Effects of signage on nearby uses.
- k. Presence of existing or proposed buffers on the site or immediately adjacent the site.
- l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and objectives of the comprehensive plan.
- m. Other criteria that surface through public comments or planning commission assembly review.

F. Evaluation and Approval or Denial of Conditional Use Applications for Island Properties. It is the intent of this code to recognize the unique qualities of islands within Sitka Sound and the substantial differences that exist between individual islands and island groups.

Specific conditional uses may be fully appropriate in certain circumstances and on specific parcels. Uses that are well designed and/or have low impact may enhance surrounding properties and may not create any impacts. Examples may include structures that are built on larger lots away from exterior property lines, uses that are placed in the middle of parcels, uses that do not materially increase activity on easements or moorage, uses where there is a significant vegetative or terrain buffer between properties, and islands that are separated by substantial distances. In these cases, conditional use requests can and should be handled expeditiously.

Conditional uses on other properties may be totally inappropriate due to the concerns such as impacts on adjacent properties, lack of vegetative or distance buffers, noise generation, unmitigated increased usage of access easements, available moorage, location on parcels, and design.

1. Items to be considered in evaluating island conditional use permits include, but are not limited to, the following:

- a. Location on the lot or island.
- b. Generation of noise.
- c. Numbers of guests and employees.
- d. Visibility from adjacent uses including waterborne traffic.
- e. Use of common access easements.

- f. Availability of necessary moorage.
- g. Use of natural or manmade screening or buffers.
- h. Availability of municipal power.
- i. Distance from adjacent parcels or islands.
- j. Removal of excessive amounts of vegetation.

It is recognized that many applications may be strongly supported after using the criteria above.

If adequate mitigation cannot be accomplished or items such as necessary infrastructure are not available, applications may be denied.

(Ord. 06-16 § 4, 2006; Ord. 05-16 § 4(O), (P), 2005; Ord. 04-60 § 4(F), (G), (U), 2004; Ord. 02-1683 § 4 (part), 2002.)

Article II. Administration

22.30.020 Roles and responsibilities.

A. The regulation of land development is a cooperative activity involving different elected and appointed boards and city staff. The specific responsibilities of these bodies are set forth below.

B. Applicants are expected to read and understand the city development code and be prepared to fulfill the obligations placed on applications for development approvals defined in Title 21 and this title of the Sitka General Code.

(Ord. 02-1683 § 4 (part), 2002.)

22.30.030 Administrator.

The term "administrator" shall mean the city and borough administrator, or an individual operating with his/her express knowledge on his/her behalf. Said individual may include, but is not limited to, the planning director or planning assistant. The administrator is responsible for the administration of this title and shall review and act on the following:

A. Administrative Interpretation. Upon request or as determined necessary, the administrator shall interpret the meaning or application of the provisions of said titles and issue a written administrative interpretation. All administrative determinations shall be reported to the planning commission within a reasonable period of time following their issuance.

B. Nonconforming use permits.

C. Administrative approvals as set forth in Section 22.30.150.

D. Permit Procedures. The administrator shall determine the proper procedure for all development applications.

(Ord. 04-60 § 4(D) (part), 2004; Ord. 02-1683 § 4 (part), 2002.)

22.30.040 Assembly.

In addition to its legislative responsibility, the assembly shall review and act on the following subjects:

- A. Recommendations of the planning commission.
- B. Appeal of planning commission recommendations and decisions.

(Ord. 02-1683 § 4 (part), 2002.)

22.30.050 Planning commission.

The planning commission shall be constituted in accordance with Chapter 2.18 of this code and the Sitka Home Rule Charter and shall have the responsibility of reviewing and acting on the following:

- A. Recommendations to the assembly on approvals of subdivisions, planned unit developments, and binding site plans.
- B. Recommendations to the assembly on amendments to the comprehensive plan.
- C. Recommendations to the assembly on amendments to the subdivision code, Title 21 of this code.
- D. Recommendations to the assembly on amendments to the zoning code, this Title 22, or the official map.
- E. Approve variances with appeals possible to the assembly.
- F. ~~Recommendations~~ **Review and decide** on conditional use permit applications.
- G. Other actions requested or remanded by the assembly.

(Ord. 04-60 § 4(R), (S), 2004.)

22.30.060 Board of adjustment.

The assembly of the city and borough shall function as the board of adjustment with the authority to:

- ~~A. Approve or deny conditional use permits.~~
- B A.** Consider appeals of variances **or conditional use permits.**
- ~~C B.~~ Hear appeals of administrative approvals or denials.

(Ord. 04-60 § 4(R), 2004.)

22.30.160 Planning commission review and recommendation decision.

Planning commission decision and action authority is defined in Section 22.30.050.

- A. **Staff Report.** The administrator shall prepare a staff report on the proposed development or action summarizing any comments, analysis, and recommendations of city departments, affected agencies and special districts, evaluating the development's consistency with the comprehensive plan, code, and other adopted plans and regulations. The staff report may include findings, conclusions or proposed recommendations for disposition of the development application.
- B. **Hearing.** The planning commission shall conduct a public hearing on development proposals for the purpose of taking testimony, hearing evidence, considering the facts germane to the proposal, and evaluating the proposal for consistency with the city's comprehensive plan, code, and other adopted plans and regulations. Notice of the planning commission hearing shall be in accordance with Article IV of this chapter.

C. Required Findings for Conditional Use Permits. The planning commission shall not ~~recommend approval~~ *of approve* a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics,

trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

D. Required Findings for Variances.

1. Required Findings for Variances Involving Major Structures or Expansions. Before any variance is granted, it shall be shown:

a. That there are special circumstances to the intended use that do not apply generally to the other properties. Special circumstances may include the shape of the parcel, the topography of the lot, the size or dimensions of the parcels, the orientation or placement of existing structures, or other circumstances that are outside the control of the property owner;

b. The variance is necessary for the preservation and enjoyment of a substantial property right or use possessed by other properties but are denied to this parcel; such uses may include the placement of garages or the expansion of structures that are commonly constructed on other parcels in the vicinity;

c. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels or public infrastructure;

d. That the granting of such a variance will not adversely affect the comprehensive plan.

2. Required Findings for Minor Expansions, Small Structures, Fences, and Signs.

a. The municipality finds that the necessary threshold for granting this variance should be lower than thresholds for variances involving major structures or major expansions;

b. The granting of the variance is not injurious to nearby properties or improvements;

c. The granting of the variance furthers an appropriate use of the property.

E. Required Findings for Appeals. Appeals of any decisions regulated by this title shall only be granted when the designated appeal body determines that the subject permit approval or denial was in error. The appeal body shall base its decision on new evidence or proof of procedural error in the prior action. The appellant shall bear the burden of proof of proving that the decision was in error.

F. Required Findings for Code Amendments. Article VIII of this chapter contains standards for amendments to administrative permits, special use permits, the development standards, and the official map.

(Ord. 04-60 § 4(J), (K), (L), 2004; Ord. 02-1683 § 4 (part), 2002.)

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
September 15, 2015**

Present: Richard Parmelee (Chair), Chris Spivey (Vice Chair), Randy Hughey (Member), Debra Pohlman (Member), Darrell Windsor (Member), Michael Scarcelli (Senior Planner), Samantha Pierson (Planner I)

Absent: None

Members of the Public: Ken Cameron, Ptarmica McConnell, Peter Thielke, Susan Litman, Cliff Richter, Kyle Young, Deanna Moore

Vice Chair Spivey called the meeting to order at 7:01 p.m.

Roll Call:

PRESENT: 5 – Parmelee, Spivey, Windsor, Pohlman, Hughey

Consideration of the Minutes from the September 1, 2015 meeting:

MOTION: M/S HUGHEY/PARMELEE moved to approve the meeting minutes for September 1, 2015.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

The evening business:

**FIVE LOT HYBRID SUBDIVISION
LOT 11, ALICE AND CHARCOAL ISLAND SUBDIVISION
SHEE ATIKA, INC.**

Public hearing and consideration of a final plat for a 5 lot hybrid subdivision at Lot 11, Alice and Charcoal Island Subdivision filed by Shee Atika, Inc. The subdivision will create five lots. The property is also known as Lot 11, Alice and Charcoal Island Subdivision. The request is filed by Shee Atika, Inc. The owner of record is Shee Atika, Inc.

STAFF REPORT: Senior Planner Michael Scarcelli described the lot and the proposed division into five lots. Scarcelli passed around to the public and the Planning Commission a handout of the 5 lot hybrid subdivision. Staff reviewed how the proposal met the required criteria, specifically how lot 11E was noted as limited to access from Alice Loop and the other 4 lots had access via an access easement. Important items presented were the criteria required to meet the zoning, subdivision, and comprehensive plan.

APPLICANT: Ken Cameron stated that Scarcelli's description of the five proposed lots was accurate.

COMMISSIONER DELIBERATION:

PUBLIC COMMENT: No public comment.

MOTION: M/S PARMELEE/WINDSOR moved to adopt the required findings as presented by staff in his written and oral report that the proposal meets the required SGC criteria, comports with the comprehensive plan and Title 21 and 22, and the finding that it does not adversely impact the public, health, safety and welfare, and to approve final plat for a 5 lot hybrid subdivision at Lot 11, Alice and Charcoal Island Subdivision filed by Shee Atika, Inc. The subdivision will create five lots. The property is also known as Lot 11, Alice and Charcoal Island Subdivision. The request is filed by Shee Atika, Inc. The owner of record is Shee Atika, Inc.

ACTION: Motion **PASSED unanimously 5-0** on a voice vote.

REPLAT

**TRACT M, U.S. SURVEY 3555, GALANKIN ISLAND SUBDIVISION
ROBERT JURANICH**

Public hearing and consideration of a replat of Tract M and immediately adjacent westerly common area of Galankin Island filed by Robert Juranich. Replat will remove the center lot line and merge two lots into one. The property is also known as Tract M of US Survey 3555 and adjacent common area of Galankin Island Subdivision. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc.

STAFF REPORT: Senior Planner Michael Scarcelli described the lot and the proposed replat addressing the intent of the GI and LI zoning districts, the minimum lot requirements of 1 acre, and nature of the past disconnected nature of Tract M, and the current connection to Galankin Island. It was staff's analysis to require a plat variance and Zoning map amendment as conditions of approval.

APPLICANT: Sue Litman and Patrick O'Neill represented Robert Juranich. She stated that she was unaware that an additional variance proceeding would be required, but stated that she was certain that Mr. Juranich would want to continue moving forward with the replat.

COMMISSIONER DELIBERATION: Commissioners discussed that this vote could move forward, and Mr. Juranich can decide whether or not to continue the process by pursuing a variance and ZMA.

PUBLIC COMMENT: No public comment.

MOTION: M/S POHLMAN/HUGHEY moved to adopt Staff's oral findings that it conformed with the SGC, Comprehensive Plan, did not adversely impact the public, health, safety and welfare and recommend approval of the replat of Tract M and immediately adjacent westerly common area of Galankin Island. Replat will remove the center lot line and merge two lots into one. The property is also known as Tract M of US Survey 3555 and adjacent common area of Galankin Island Subdivision. The owners of record are Robert and Marilyn Juranich and Galankin Islanders, Inc. conditioned upon approval of a plat variance and zoning map amendment.

ACTION: Motion PASSED unanimously 5-0 on a voice vote.

ZONING TEXT CHANGE

ALLOWING FOR THE APPROVAL OF CONDITIONAL USE PERMITS BY THE PLANNING COMMISSION WITH RIGHTS OF APPEAL TO THE BOARD OF ADJUSTMENT CITY AND BOROUGH OF SITKA

Public hearing and consideration of a proposed zoning text amendment to amend the SGC Sections 22.30.050 (F), 22.30.060, 22.30.160 (C), 22.30.370(3)(a), 22.24.010—2, and all supporting code sections to allow for the approval of Conditional Use Permits by the Planning Commission with rights of appeal to the Board of Adjustment. The request is filed by the City and Borough of Sitka.

STAFF REPORT: Scarcelli explained the proposed amendment. This amendment would allow the Planning Commission to approve instead of recommending approval to the City Assembly on Conditional Use Permits, with rights of aggrieved parties to appeal to the City Assembly acting as Board of Adjustment. This would result in making the process streamlined for applicants. Additionally, this amendment would reduce the amount of cases sent to the Assembly by the Planning Commission to allow them more time to focus on larger issues.

COMMISSIONER DELIBERATION: Commissioners discussed the potential benefits of the proposal. Passage of this amendment would lighten the workload and decrease meeting time for Assembly members.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/PARMELEE moved to adopt findings that this amendment comported with the SGC and Comprehensive Plan, did not adversely impact the public, health, safety, and welfare, and to recommend approval to the City Assembly of a proposed zoning text amendment to amend the SGC Sections 22.30.050 (F), 22.30.060, 22.30.160 (C), 22.30.370(3)(a), 22.24.010—2, and all supporting code sections to allow for the approval of Conditional Use Permits by the Planning Commission with rights of appeal to the Board of Adjustment. The request is filed by the City and Borough of Sitka.

ACTION: Motion PASSED unanimously 5-0 on a voice vote.

VARIANCE REQUEST

**298 KAAGWAANTAN STREET
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a variance request filed by Baranof Island Housing Authority for 298 Kaagwaantaan Street. The variance request is for a reduction in the front setback from 20 to 5 feet and the rear setback from 10 to 5 feet for the construction of a single-family home. The property is also known as Lot 4, Allen/Carlson Subdivision. The request is filed by the Baranof Island Housing Authority. The owner of record is the Baranof Island Housing Authority.

STAFF REPORT: Scarcelli described the topography of the lot, small size, parking, and the variance request. The lot is small and oddly shaped, making development difficult. Staff presented the required findings for a variance.

APPLICANT: Cliff Richter and Kyle Young represented Baranof Island Housing Authority. Richter and Young stated agreement with Scarcelli's report. Richter and Young described in further detail the constraints of the property and the site plan.

COMMISSIONER DELIBERATION: Commissioners discussed that the small lot size and odd shape makes it difficult to develop the lot.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/HUGHEY: moved to adopt the following findings and approve a variance request filed by Baranof Island Housing Authority for 298 Kaagwaantaan Street. The variance request is for a rear setback reduction from 10 to 5 feet for the construction of a single-family home. The property is also known as Lot 4, Allen/Carlson Subdivision. The request is filed by the Baranof Island Housing Authority. The owner of record is the Baranof Island Housing Authority.

Findings:

- a. That there are special circumstances to the intended use that do not apply generally to the other properties. Special circumstances may include the shape of the parcel, the topography of the lot, the size or dimensions of the parcels, the orientation or placement of existing structures, or other circumstances that are outside the control of the property owner, *specifically the substandard lot size and odd flag shape*;
- b. The variance is necessary for the preservation and enjoyment of a substantial property right or use possessed by other properties but are denied to this parcel; such uses may include the placement of garages or the expansion of structures that are commonly constructed on other parcels in the vicinity;
- c. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels or public infrastructure, *specifically a single family home will add to the surrounding property values and neighborhood harmony*;
- d. That the granting of such a variance will not adversely affect the comprehensive plan.

ACTION: Motion **PASSED** unanimously 5-0 on a voice vote.

**CONDITIONAL USE PERMIT
722 BIORKA STREET
PETER THIELKE**

Public hearing and consideration of a conditional use permit for a short-term rental at 722 Biorka Street. The property is also known as a fractional portion of Lot 13 in Block 14, Sitka Townsite, U.S. Survey 1474. The request is filed by Peter Thielke. The owner of record is Peter Thielke.

STAFF REPORT: Scarcelli described the short-term rental request, detailed business plan, and how the proposal helps create a better maintain property, meets the parking, comports with zoning code and comprehensive plan, creates positive economic benefits,

and no adverse impacts. He stated that the lot's landscaping provides a lot of privacy. Staff's conclusion was that it complied with the Sitka General Code, the Comprehensive Plan, and it did not impact the public, health, safety, and welfare, and benefitted the community.

APPLICANT: Peter Thielke affirmed Scarcelli's analysis. Thielke stated that he does not live in Sitka year-round. He stated that the short-term rental would make it feasible for him and his siblings to visit Sitka during the summer for short periods of time and stay in the house. Purely long-term rentals would not allow him the same flexibility. Thielke stated that he is committed to the community's need for long-term rentals, and reports that he has rented the house for longer blocks of time for the upcoming fall and winter months.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION: Commissioners discussed that this was a feasible option for maintaining the home, and this is his family's established property.

MOTION: M/S POHLMAN/WINDSOR moved to adopt staff's findings and conclusions, the following findings and conditions, and to recommend approval to the City Assembly of the conditional use permit for a short-term rental at 722 Biorka Street. The property is also known as a fractional portion of Lot 13 in Block 14, Sitka Townsite, U.S. Survey 1474. The request is filed by Peter Thielke. The owner of record is Peter Thielke:

C. Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.

6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

CONDITIONS:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the request.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has

begun operation. The report is due within thirty days following the end of the reporting period.

5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

ACTION: Motion **PASSED 5-0** on a voice vote.

**CONDITIONAL USE PERMIT
703 BIORKA STREET
DEANNA MOORE**

Public hearing and consideration of a conditional use permit for a bed and breakfast at 703 Biorka Street. The property is also known as Lot 11, Block 23, Sitka Townsite, and U.S. Survey 1474. The request is filed by Deanna Moore. The owner of record is Deanna Moore.

STAFF REPORT: Scarcelli described the lot and the conditional use permit request, related past history of a CUP for a STR, and how this proposal would have positive impacts and have less negatives than other typical residential uses due to owner occupation with this proposed use and the large parking, setbacks, and characteristics of the home and property. The property has plenty of parking to accommodate guests. Ultimately staff's conclusion was that it complied with the Sitka General Code, the Comprehensive Plan, and it did not impact the public, health, safety, and welfare, and benefitted the community.

APPLICANT: Deanna Moore stated that Scarcelli's analysis was accurate.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION:

MOTION: **M/S PARMELEE/WINDSOR** moved to adopt staff's findings and conclusions, the following findings and conditions, and to recommend approval to the City Assembly of the *conditional use permit for a bed and breakfast at 703 Biorka Street. The property is also known as Lot 11, Block 23, Sitka Townsite, and U.S. Survey 1474. The request is filed by Deanna Moore. The owner of record is Deanna Moore:*

C. Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-

street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

CONDITIONS:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the request.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

ACTION: Motion **PASSED 5-0** on a voice vote.

DIRECTORS REPORT: Scarcelli shared that he is working with Maegan Bosak to address streamlining the findings and conclusions to help preserve time of the Planning Commission to allow adequate time for consideration of important issues. He stated that he and Bosak have plans to initiate the Comprehensive Plan soon, which will focus on grassroots input. Scarcelli is attending training in October for Historic Preservation and Planning. Scarcelli introduced Samantha Pierson, the new Planner I. Scarcelli thanked Parmelee for his 8 years of service to the Planning Commission, and we will begin the selection process for a new member.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION: Chair Parmelee announced that he would be stepping down as chair. Commissioners discussed his potential replacement.

MOTION: M/S WINDSOR/POHLMAN moved to approve Chris Spivey as Chair.

ACTION: Motion PASSED unanimously 5-0 on a voice vote.

MOTION: M/S PARMELEE/SPIVEY moved to approve Darrell Windsor as Vice Chair.

ACTION: Motion PASSED unanimously 5-0 on a voice vote.

MOTION: M/S PARMELEE/POHLMAN moved to adjourn at 8:10 pm.

ACTION: Motion PASSED unanimously 5-0 on a voice vote.

Chris Spivey, Vice Chair

Samantha Pierson, Secretary



Legislation Details

File #: 15-208 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Approve Amendment No. 6 to the Alaska Bulk Water, Inc. bulk water purchase agreement

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Amendment No 6](#)
[Memo from GPIP Director](#)
[ABWI Correspondence](#)
[Amendment No. 6](#)
[Original purchase agreement and amendments](#)
[Sept 24 draft minutes](#)

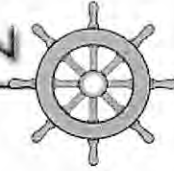
Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE to approve Amendment No. 6 to the Alaska Bulk Water, Inc. bulk water purchase agreement and authorize the Municipal Administrator to execute the document.

GARY PAXTON

INDUSTRIAL PARK



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Friday, October 9th, 2015

MEMORANDUM

To: Mark Gorman – CBS Administrator

From: Garry White, Director

Subject: Alaska Bulk Water (ABWI) Bulk Water Agreement Amendment Request

Introduction

Alaska Bulk Water Inc. (ABWI), formerly True Alaska Bottling Company, is requesting to have its “Purchase Agreement for Raw Water in Bulk for Export” amended for the sixth time. This Amendment will contain the following substantial changes:

- Section 3.1 of the agreement is amended for an additional 36 month extension for ABWI to take delivery and export water.
- Section 3.1 of the agreement is amended to decrease ABWI’s guaranteed water allocation from 27,773 acre-feet to 27,007 acre-feet.
 - Reduction is to allow for increased potential water allocations for proposed bottling operations.

This Amendment contains the following conditions and provisions:

- 2,228 Acre-feet of the remaining CBS Bulk Water allocation will be reserved by the CBS for use in small water operations. This water allocation will only be allowed to be exported from Sitka in package sizes of a 20’ container or less.
 - ABWI will have an opportunity to export water in bulk if water is not allocated contractually to another entity.
- ABWI will pay the CBS a \$1,000,000 dollar non-refundable payment, no later than 12/08/2015 to be applied towards export of water payments within the 36 month extension, but if no export occurs, it shall be retained by the CBS unencumbered. CBS will retain any interest earned from the non-refundable payment.
- The non-refundable payment of \$1 million made by ABWI and the non-refundable payments of \$1,350,000 previously made by ABWI to Sitka will be

credits toward export of water payments within the three-year term of this revised Agreement.

- ABWI will provide to the CBS, at no cost, bathymetric survey completed of the tidelands of the GPIIP.

The GPIIP Board of Directors met on September 24th and approved the following motion:

MOTION: Jones/Wagner moved to request that the Assembly approve amendment number 6 to the bulk water purchase agreement with Alaska Bulk Water, Inc. (ABWI) to extend the agreement by 3-years based on the following criteria:

1. That the agreement is extended for a term of 3-years to December 8, 2018; and
2. That ABWI shall make a non-refundable payment of \$1,000,000 dollars to the City and Borough of Sitka (CBS) no later than December 8, 2015; and
3. That the \$1,000,000 dollars paid to the CBS shall be held as pre-purchased water credits and shall be retained by the City, unencumbered, if no water is exported during the 36-months of this extension; and
4. That the \$1,350,000 dollars paid to the City under previous agreements be carried forward as pre-purchased water credits for the duration of this extension; and
5. That ABWI provide, at no cost to the CBS, copies of the bathymetric studies done for the tidelands of the Gary Paxton Industrial Park; and
6. ABWI agrees that this Amendment No. 6 to the bulk water purchase agreement include a reduction in the guaranteed amount of water from 27,773 acre-feet per year to 27,007 acre-feet per year; and
7. CBS agrees that if any of the remaining 2,228 acre-feet of the CBS bulk water allocation held aside for proposed water bottling operations is not allocated contractually to another entity, ABWI will have the opportunity to export any or all of this water in bulk.

ACTION: Motion passed 5/0 on a roll call vote:

Yeas: Dan Jones, Charles Horan, Scott Wagner, Ptarmica McConnell, Grant Miller

Nays: none

Background

The CBS obtained water permits to export raw water in bulk from the Blue Lake water shed when they acquired the former mill property at the Gary Paxton Industrial Park.

State of Alaska permits LAS 19669 and ADL 43826 allow for the export of 29,235 Acre-feet of water for bulk export. One Acre-foot equals 325,851 US gallons of water. Therefore the CBS has roughly 9.5 billion gallons (BG) of water available for export each year.

The CBS has entered into multiple bulk water export agreements in the past with various entities. Currently the CBS has one active bulk water agreement with ABWI.

History of TAB bulk water agreement

On 12/07/06 the CBS entered into a water purchase agreement with ABWI for a bulk water allocation. The agreement has been amended 5 separate times since its execution. Substantial changes to the agreement are the following:

Section 3

Section 3 of the agreement is related to water allocations and performance dates to export water. The initial bulk water export agreement required ABWI to export a minimum amount of water within a 24 month period starting 12/07/2006. ABWI failed to export the required water by 12/07/2008. Since that time period ABWI has negotiated with the CBS, 4 separate amendments to Section 3.1 to allow for longer terms to export the required amount of water.

- 2008 – CBS allowed ABWI 12 additional months to export water. ABWI paid the CBS \$100,000 for the extension.
- 2009 – CBS allowed ABWI another 12 months to export water. ABWI paid the CBS \$100,000 for the extension.
- 2010 – CBS allowed ABWI 24 additional months to export water. ABWI paid the CBS \$150,000 for the extension.
- 2012 – CBS allowed ABWI 36 additional months to export water and increased its water allocation from 8,960 acre-feet to 27,773 acre-feet. ABWI paid the CBS \$1,000,000 for the extension and increased water allocation amount

Section 10

Section 10 of the agreement is related to delivery, loading, and transportation of water. The initial bulk water agreement was vague in detailing where structures would be located and provisions for construction and removal of infrastructure. Two separate amendments have adjusted Section 10 for clarity.

- 2009 – CBS added language to section 10.1 which gave the CBS Assembly authority to approve loading facilities and adjust minor contractual language.
- 2015 – Amendment #5, changed contractual language to reflect normal CBS construction procedures. Additional terms were added that defined ABWI's infrastructure attachment to the CBS owned bulk water pipeline and removal of infrastructure in the event the water purchase agreement was terminated.

Basic Terms of TAB's Existing Bulk Water Agreement

(Note: please see amendments 1-5 for changes to original agreement)

- A minimum amount of water must be exported within a set time period or Stage specified in Section 3.2 of the contract.
 - 50 million US gallons of water must be exported within the time period specified in Section 3.1 of the contract.
- The agreement defines Stages of water volume export to retain water allocation amounts. (Section 3.2)
 - ABWI gains more allocations by exporting more water and can lose allocation amounts by failing to export specified amounts.
- Municipal water uses retain first right and priority to the water. (Section 4a)
- The agreement allows for hydroelectric dam maintenance. (Section 4c)
- The price for water has been set at \$3,258.51/Acre-feet or \$0.01/US gallon. (Section 7.1)
- Defines ballast water discharges and water loading.
- Recently the CBS has been requiring ABWI to pay a non-refundable payment to be applied towards water export payments owed to Sitka within the contract time frame.

Additional Information

- ABWI conducted a bathymetric survey of the GPIIP tidelands in the fall of 2014.
- ABWI obtained a tidelands lease from the CBS in 2014 for 18 acres directly seaward of the CBS bulk water pipeline for a lease amount of \$5,292 annually.
- ABWI installed two mooring buoy in its tideland lease in June 2015.
- ABWI constructed a value at the end of the CBS bulk water pipeline and assembled a floating pipeline system to the mooring buoy in June 2015.
- The original water purchase agreement and all 5 amendments have reviewed by outside legal counsel. Multiple minor contractual language changes have been suggested and a revised purchase agreement has been drafted.

Other Bulk Water Export Proposals

The GPIIP Director frequently receives inquiries regarding Sitka's Bulk Water asset. Many calls are speculative in nature with very few formal proposals being submitted for the GPIIP Board and CBS Assembly consideration.

On October 1st, 2015, a representative of the Amel Group traveled to Sitka to learn more about the CBS bulk water venture and submit a letter of interest to purchase water from Sitka.

Attachments

- ABWI's letter's to the CBS dated 8/13/2015 & 9/23/2015
- Revised purchase agreement for raw water in bulk between ABWI and CBS.
- ABWI's initial agreement to export bulk water
- All five amendments to the original bulk water agreement.
- September 24th GPIIP Board minutes

Action

The GPIIP Board requests that the CBS Assembly approve the recommendations made by the GPIIP Board for an amendment to ABWI's "Purchase Agreement for Raw Water in Bulk for Export".

Alaska Bulk Water Inc.

2211 Elliott Ave, Suite 200, Seattle, Washington 98121

TRANSMITTED VIA EMAIL

August 13, 2015

GPIP Board of Directors
329 Harbor Drive Suite 212
Sitka, Alaska 99835

Attention: Gary White GPIP Park Director

Dear Sirs:

As you know, Alaska Bulk Water Inc. has made a substantial investment in building a bulk water loading station in the GPIP waterfront. This effort has been completed and awaits its first customers to begin loading water. ABWI, through its agents worldwide, and through its own efforts, has marketed to all the water stressed areas of the world. ABWI has also contacted most of the water districts in Southern California as well as numerous private companies in agriculture and in industry. The responses have been positive and many of these companies are in the process of developing the logistics to receive the water from water tanker vessels. Much of this effort is directed to building piping and tank facilities to store the water for further use. However, these new customers of ABWI are not in a position to have water shipped to them until they have the necessary infrastructure to accept the water. ABWI has been working with many of these customers to help with the planning and development of such infrastructure.

ABWI has a deadline to ship 50 million gallons by Dec. 8, 2015 in order to be in compliance with its bulk water agreement. While all efforts are being directed to meet this requirement, it is uncertain whether the receiving facilities or temporary storage devices can be installed in time to meet this schedule. Many customers are looking at shipping water in containers until their bulk water facilities are completed.

ABWI's customers are concerned that ABWI will be able to honor its commitments if it does not meet its requirement to ship 50 million gallons this year. Their concern involves the investment that they are making in water storage and piping. ABWI has considered various solutions to ship water to temporary customer facilities in order to accelerate the shipping schedules. However, these are both expensive and inconvenient.

In consideration of these facts, ABWI requests an extension of its contract for 3 years. ABWI will make a deposit of \$1 million dollars at the expiration of the current contract in December. ABWI believes that the bulk water business will quickly grow and that

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Alaska Bulk Water Inc.

2211 Elliott Ave, Suite 200, Seattle,, Washington 98121

expansion will be needed to the bulk water loading station. We envision that CBS's desire to build a general purpose dock in Silver Bay can incorporate the needs for bulk water as well. ABWI offers to assist with the planning and development of this dock. As a gesture of good faith, ABWI offers to make available the bottom profiling documents that were developed for ABWI for its Mooring System in Silver Bay. We paid \$41,400 for this bathymetric work so we feel this will save CBS both time and money as part of the engineering effort for the general purpose dock.

Time is of the essence, so that ABWI can assure its customers of its ability to supply water and continue to help develop this emerging new industry.

Yours truly,

/s/ Terry Trapp

TERRY TRAPP
Chief Executive Officer
Alaska Bulk Water Inc.

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Alaska Bulk Water Inc.

2211 Elliott Ave, Seattle, Washington Suite 200 98121

September 23, 2105

TRANSMITTED VIA EMAIL

GPIP Board Members
329 Harbor Drive Suite 212
Sitka, Alaska 99835

Attention: Gary White GPIP Park Director

Dears Sirs:

Pursuant to my letter of August 13, 2015, I would like to furnish some further updates. Regarding bulk water sales, ABWI has recently contracted with a company who has a customer wanting to purchase a minimum of 5 billion gallons per year. This customer who is in the Middle East will meet in Sitka next month to consummate this agreement. They expect to begin shipping water before the end of the year. We are informed that they have infrastructure in place and can off load and store large amounts of water. This is very encouraging to us as most prospective customers are in the process of building their off loading infrastructure or developing plans for temporary storage.

Another very active prospect for bulk water in Mexico is a prominent beer bottler who very much needs good water for its name brand beer. They are awaiting samples of our bulk water so that they can perform their own analysis of the water before they commit to a contract. We plan to meet with Mexico's large petroleum company in the next 45 days as well to solidify plans for bulk water. Currently, ABWI has a contract for 300 million gallons to Mexico for which it has collected a deposit.

ABWI has developed an agent network of 10 companies who are pursuing markets in Mexico, China, UAE, Saudi Arabia, and Brazil. Domestic marketing is aimed at California where we are obtaining assistance from U.S. Congresswoman Janice Hahn. Congresswoman Hahn has scheduled a meeting at her office in California on Oct. 5 to discuss how her office can make bulk water from Alaska to California a reality. We will be making a presentation on bulk water and the issues to bring water into California. Additional members of Congress have been invited to attend this meeting.

Additionally, ABWI is also in communication with the Office of the US Trade Representatives which is part of the Executive Office of the President. Their assistance in helping with the import of bulk water which is a new commodity should ease the problems of transacting business with foreign governments. They have agreed to set up a new import code for bulk water. They seem to be quite excited about the success of shipping bulk water around the world.

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ABWI has organized to conduct the business of bulk water shipments by engaging the very best professionals. ABWI has opened a corporate office in Seattle and has retained Perkins Coie as its attorney for foreign contacts and international law. In addition, Holmes Weedle and Barcott have been retained as maritime attorneys. KPMG was hired as the national corporate accounting firm. Green Rubino is the companies PR firm and has helped develop a new website. In short, ABWI has put together a solid team to assist in all the matters necessary to conduct international business.

As described in my previous letter, ABWI must assure its clients that it will have a contract intact on a long term basis. This concern is important for the continued efforts of our customers in their capital expenditures. Moreover, it is important that ABWI maintain its exclusivity for bulk water. Customers want to be assured that they are dealing with one entity which has the authority to contract and deliver the water loaded on board their vessels.

ABWI has performed on everything that is in its control. A loading station for bulk water was built at a cost of approximately 1.5 million dollars readying the supply of bulk water. The domestic and international market for bulk water customers has been covered through a closely monitored agent network. A hard contract for water in Mexico has been signed and a deposit collected. An imminent contract for over 5 billion gallons per year is on the table. Government support at the federal level has been enlisted for both domestic and international customers.

Much of our effort at this time is directed at helping our customers and prospects develop their infrastructure and secure shipping companies to furnish water tankers or barges to begin their business. Plans are still underway to initiate shipping bulk water in containers though ABWI has no staging or loading area for this business. It is our hope that the board will revisit this need.

Considering the comprehensive effort and financial commitment that ABWI has made to the bulk water business, we argue that ABWI is the best choice for the sale of Sitka's bulk water and therefore urge that the GPIP Board accept our proposal for extending the ABWI's bulk water contract.

Yours truly,

/s/ Terry Trapp

Terry Trapp
CEO ABWI

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**AMENDMENT NO. 6 TO
REVISED ALASKA BULK WATER INC.
REVISED PURCHASE AGREEMENT
FOR RAW WATER
IN BULK FOR EXPORT**

BETWEEN:

City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

AND

Alaska Bulk Water Inc.
4500 Sawmill Creek Road
Sitka, Alaska 99835

WHEREAS, the City and Borough of Sitka ("Sitka") and Alaska Bulk Water Inc. ("ABWI") entered into the "Alaska Bulk Water Inc. Purchase Agreement for Raw Water in Bulk for Export" ("Agreement"), on December 7, 2006;

WHEREAS, Sitka and ABWI have executed five amendments to the Agreement, each of which extended the commencement of the Agreement in exchange for a non-refundable cash payment by ABWI; and

WHEREAS, ABWI is seeking a further three year extension of the Agreement to which the Sitka Assembly agreed at its October 13, 2015 Regular Meeting contingent upon ABWI making a non-refundable payment of \$1,000,000 to Sitka, made no later than December 8, 2015.

NOW, THEREFORE, in consideration of the mutual covenants Sitka and ABWI, based on the conditions required above, agree to as follows

1. Term and Documents Comprising this Agreement.

1.1 The initial term of this Agreement shall commence upon ABWI making a non-refundable payment of \$1,000,000 to Sitka, no later than December 8, 2015 and shall end at 11:59 p.m. Alaska Standard Time on December 31, 2026. The City and Borough of Sitka (hereinafter referred to as "Sitka" i) hereby grants to Alaska Bulk Water Inc. (hereinafter referred to as "ABWI"), on the terms and conditions set forth herein, the right to purchase raw water in bulk for export, to be delivered to it by Sitka from the Blue Lake reservoir, a water source within Sitka.

1.2 At the conclusion of the initial term of this Agreement, each of three additional terms of five

(5) years each for extension of this Agreement may be exercised upon the consent of both parties. ABWI must notify Sitka in writing no later than four (4) months before the end of the initial Agreement period of its desire to add an additional five year term, and shall thereafter notify Sitka no later than four (4) months prior to the expiration of each exercised additional term of its desire to exercise the next five year time period. If ABWI does not timely notify Sitka in writing, the Agreement shall terminate at the expiration of the then-current contract term. Sitka's bulk raw water price is subject to re-negotiation before the commencement of each additional term. If said price is not agreed, the Agreement shall terminate at the expiration of the then-current contract term. Either party may decide to not implement any additional term for any reason, in its sole discretion.

1.3 The Agreement consists of the 23 sections in this Agreement plus Appendix A (a map), Appendix B (the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property)."), and Appendix C (a map of Block 4, Lot 9a).

2. Definitions.

In this Agreement, the following terms shall have the definitions stated:

- a) "acre-foot" or "af" means 325,851 U.S. gallons.
- b) "annually" means 12 consecutive months.
- c) "beneficial use" means the application of water, purchased by ABWI for export or for use at the point of delivery, to a useful purpose, including domestic, commercial, agricultural, wildlife, and recreational uses.
- d) "BG" or "bg" means billions of gallons.
- e) "bulk water" means raw water or potable water sold by Sitka to ABWI under this Agreement, and delivered by Sitka to ABWI in the measured quantities specified in this Agreement.
- f) "deliver" or "to deliver" or "delivered" means the act by Sitka of making a specific quantity of water available to ABWI at the point of delivery.
- g) "export" means the transportation by ABWI of bulk water to a destination outside the hydrological unit of the Blue Lake drainage. .
- h) "gallon" means one US gallon or 3.785 liters.
- i) Loading means transporting the water which is the subject of this Agreement from Blue Lake through pipelines and other conveyances into the ABWI-chartered ship for delivery elsewhere.
- j) "MG" or "mg" means millions of gallons.

- k) "MGD" means millions of gallons per consecutive 24-hour period.
- l) "per day" means calendar day starting at midnight.
- m) "per week" means during a period of seven (7) consecutive days.
- n) "per year" means during a period of 12 consecutive months.
- o) "point of delivery" means that physical location at which the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to ABWI, terminate
- p) "raw water" means untreated water delivered by Sitka to the point of delivery from Blue Lake via the Blue Lake penstock, a conduit which transports water from Blue Lake to the Blue Lake Powerhouse as shown on Exhibit A.
- q) "rule curve" means the relationship between the elevation of the water surface of Blue Lake and the volume of water contained in Blue Lake, as it pertains to the reservation of water for fish, wildlife, and habitat protection.
- r) "Stage" means a time period in this Agreement that starts 12 months after the effective date of this Agreement; a Stage is composed of one or more 12-month periods, with each 12-month period starting on the anniversary of the day the Stage begins.
- s) "Stage Anniversary Date" means the day starting a 12-month period in a Stage.
- t) "ton" means one US short ton or 2,000 pounds.
- u) "unforeseen" means an exceptional event, not contemplated by the parties in negotiating this Agreement. Performance made more difficult or expensive than expected is not "unforeseen." The burden of proving that an event is unforeseen is on the party that advances it as a reason for non-performance.
- v) "water rights" means those rights to the beneficial use of water which are held by Sitka under certificates of appropriation issued by the State of Alaska pursuant to Alaska law.

3. Water Volumes Contracted by ABWI from Sitka.

3.1 Sitka will make available to ABWI a total of 27,007 acre-feet of raw water for a period of 36 months after the effective date of this Agreement. At the conclusion of the 36 month period described in the previous sentence, ABWI's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, provided that ABWI has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the 36 month period immediately after the effective date of this Agreement, ABWI must take delivery of and export at least 50 million gallons of water. If ABWI does not take delivery of and export at least 50 million gallons of water from Sitka pursuant to this Agreement in the first 36 months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after ABWI's receipt of Sitka's notice to ABWI by certified mail that ABWI has breached or failed to

comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, ABWI cures the specified default or defaults to Sitka’s satisfaction, as determined by Sitka in its sole discretion.

3.2 The Stages described in this subsection start 36 months after the effective date of this Agreement. The quantities of raw water in bulk which is available for export by ABWI from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 af (75mg)	153.4 af (50mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 af (75mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

Stage 1: Stage 1 begins 36 months after the effective date of this Agreement. Sitka will make available to ABWI not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, ABWI must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If ABWI does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka’s election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to ABWI by certified mail that ABWI has failed to meet such requirement, unless within the 45-day period, ABWI cures such failure as determined by Sitka in its sole discretion.

Stage 2: ABWI shall take delivery and pay for a minimum of 230.2 acre feet of bulk water within a 12 month period during this Stage. If ABWI takes delivery of and exports a total of at least 230.2 acre-feet (75 MG) of bulk water in a 12-month period, then the amount of bulk water Sitka will make available for delivery to ABWI will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that Sitka’s Administrator has determined at his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for a 12-month period starting on the Stage Anniversary Date of Stage 2, ABWI must have taken delivery of and exported from Sitka at least 230.2 af (75 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 2. If ABWI does not meet the requirement set out in the previous sentence to remain at Stage 2, ABWI shall revert to Stage 1 and a new Stage Anniversary Date of Stage 1 is created.

Stage 3: ABWI shall take delivery and pay for a minimum of 306.9 acre feet of bulk water in a 12 month period during this Stage. If ABWI takes delivery of and exports a total of at least 306.9 acre-feet (100 MG) of bulk water per 12-month period, then the amount of water Sitka will make available for delivery to ABWI will be increased to 4,000 acre-feet per year,

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

provided at that time that Sitka's Administrator has determined at his/her that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 3 for a 12-month period starting on the Stage Anniversary Date of Stage 3, ABWI must have taken delivery of and exported from Sitka at least 306.9 af (100 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 3. If ABWI does not meet the requirement set out in the previous sentence to remain at Stage 3, ABWI shall revert to Stage 2 and a new Stage Anniversary Date of Stage 2 is created.

Stage 4: ABWI shall take delivery and pay for a minimum of 920.7 acre feet of bulk water in a 12 month period during this Stage. If ABWI takes delivery of and exports a total of at least 920.7 acre-feet (300 MG) per 12-month period, then the amount of water Sitka will make available for delivery to ABWI will be increased to 10,000 acre-feet per 12-month period, provided at that time that Sitka's Administrator has determined at his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 4 for a 12-month period starting on the Stage Anniversary Date of Stage 4, ABWI must have taken delivery of and exported from Sitka at least 920.7 af (300 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 4. If ABWI does not meet the requirement set out in the previous sentence to remain at Stage 4, ABWI shall revert to Stage 3 and a new Stage Anniversary Date of Stage 3 is created.

Stage 5: ABWI shall take delivery and pay for a minimum of 3,068.9 acre feet of bulk water in a 12 month period during this Stage. If ABWI takes delivery of and exports a total of 3,068.9 acre feet (1 billion gallons) of water per 12-month period, then ABWI may request from Sitka additional bulk water of which the amount will be determined by Sitka's Administrator at his/her sole discretion at that time, provided that Sitka's Administrator has determined at his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 5 for a 12-month period starting on the Stage Anniversary Date of Stage 5, ABWI must have taken delivery of and exported from Sitka at least 3,068.9 af (1 BG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 5. If ABWI does not meet the requirement set out in the previous sentence to remain at Stage 5, ABWI shall revert to Stage 4 and a new Stage Anniversary Date of Stage 4 is created.

3.3 If ABWI fails to take delivery of and export the required minimum quantities specified in Stages 2 through 5 within the time periods specified in those Stages as set out in Subsection 3.2, the respective obligations of Sitka to make water available and of ABWI to take delivery of and accept and export shall be reduced to the next lower Stage for the next 12-month period. If ABWI meets the minimum performance requirement of that lower Stage within the time period specified, then the next higher Stage shall again become applicable to Sitka's and ABWI's respective obligations during the next 12-month period. The date upon which Sitka moves ABWI either up or down from stage to stage will start the 12-month time period anew and create a new Stage Anniversary Date, provided at that time that Sitka still has adequate water quantities available and uncommitted for export.

3.4 Notwithstanding any other provision of this Agreement, if water delivered by Sitka to ABWI and exported by ABWI falls below 50 million gallons during any period of 12 consecutive months, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after to ABWI receives notice as provided in Paragraph 23 that ABWI has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless

within the 45-day period, ABWI cures the specified default or defaults to the satisfaction of Sitka's Administrator, as determined by Sitka's Administrator in his/her sole discretion.

3.5 During the first year after the effective date of this Agreement and during periods of any Stage under this Agreement, ABWI may take delivery of raw water at a rate no greater than 33.6 MGD and no less than 50 million gallons during the 12 month period after operations have commenced..

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

4.1. By this contract, Sitka is entering into an Agreement to sell raw water in bulk pursuant to water to rights issued to Sitka by the State of Alaska under water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's contractual obligation to deliver water to ABWI in the quantities specified in this Agreement is subject to these conditions and limitations:

a) Notwithstanding any other provision of this Agreement, Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to ABWI to meet the requirements of its municipal drinking water and hydroelectric systems, Whether the water is sufficient for these purposes shall be decided at the sole discretion of Sitka's Administrator.

b) Sitka will abide by the 1992 Blue Lake Watershed Control Plan as approved by the U.S. Environmental Protection Agency and described in City and Borough of Sitka Ordinance No. 92-1091.

c) Sitka may temporarily suspend raw water deliveries in bulk in order to perform routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that Sitka shall give not less than 60 days prior notice to ABWI of any such planned suspensions.

d) Sitka shall be relieved of its obligation to deliver raw water in bulk to ABWI in the event of an interruption in water supply due to Force Majeure, or due to unforeseen circumstances that require repairs to or reconstruction of the municipal drinking water, hydroelectric systems, water delivery system, or other of Sitka's facilities, to the extent that the availability of raw water in bulk for delivery to ABWI under this Agreement is adversely affected, and for so long as is required to effect such repairs or reconstruction, for such time as is necessary to address such circumstances.

e) The volumes of Sitka's raw water deliveries in bulk to ABWI for export are subject to Sitka's overriding obligation to comply with all of the conditions contained in Water Appropriation Certificates ADL 43826, LAS 19669, and LAS 20526, including compliance with the rule curve and the support of spawning, incubation, and rearing of certain species of fish in Sawmill Creek and Blue Lake. Interpretation of applicable requirements and the means used to achieve compliance with such requirements shall be in Sitka's Administrator's sole discretion.

f) In the event Sitka is relieved of its obligation to make agreed quantities of water available to ABWI for reasons noted in this paragraph or due to Force Majeure or due to unforeseen circumstances, then ABWI's obligation to take delivery of and to export water shall be reduced to the volumes actually delivered by Sitka during that period of time and the time for ABWI's

performance shall be extended for a period equal to the period of time that Sitka has been so relieved of its obligation.

4.2 ABWI agrees and warrants that the raw water in bulk delivered to it by Sitka for export shall be put to one or more beneficial uses by it or by its water purchasers. Breach of this warranty shall be a material breach of this Agreement.

4.3 For that portion of the bulk water which is made available for human consumption ABWI shall, at ABWI's sole cost, promptly comply with all Government Regulations relating to the condition, use or quality of such water for human consumption. ABWI shall establish staff and maintain an on-site Water Quality laboratory to perform ABWI's obligations under Paragraph 13.3.

5. Water Distribution.

5.1 Sitka will not enter into any agreement to sell water in bulk with the remaining 2,228 acre-feet of its bulk water allocation. Any sales of the remaining bulk water allocation will be limited to the export in containers no longer than 20'. Sale of water bottled in Sitka is not subject to this restriction.

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

6.1 SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY WATER CONTRACTED BY IT FOR DELIVERY, AND/OR ACTUALLY DELIVERED, TO ABWI UNDER THIS AGREEMENT. ABWI ACKNOWLEDGES AND AGREES THAT BEFORE ENTERING INTO THIS AGREEMENT, IT HAS EXAMINED SITKA'S WATER SOURCE, SITKA'S METHODS OF DIVERSION, AND SITKA'S MEANS OF DELIVERY TO ABWI OF THE QUANTITIES OF WATER WHICH ARE CONTRACTED UNDER THIS AGREEMENT, AND THAT IT HAS FOUND ALL SUCH ITEMS ADEQUATE AND SATISFACTORY FOR ABWI'S PURPOSES.

6.2 ABWI acknowledges and agrees that Sitka's routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect ABWI's contractual obligations under this Agreement.

6.3 ABWI acknowledges and agrees that the quality of water contracted by Sitka to be delivered in bulk to it for export may vary due to natural events over which Sitka has no control, which include, without limitation, rainfall, drought, snowfall, avalanches and landslides, and that the occurrence of such events shall not alter or affect ABWI's contractual obligations under this Agreement, except that the quantity of water ABWI is obligated to take delivery of and to export shall be reduced to the quantity Sitka can and does make available for delivery to ABWI, as a consequence of an occurrence of any of such natural events.

6.4 ABWI SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR THE QUALITY AND USEFULNESS FOR ANY PARTICULAR PURPOSE OF ALL WATER EXPORTED BY, TRANSPORTED BY, USED BY, OR SOLD BY, OR DELIVERED BY ABWI.

7. Purchase Price for Bulk Water.

7.1 ABWI shall pay for bulk water for export from Sitka under this Agreement, based upon the following prices: Raw water delivered in bulk to ABWI for export shall be priced at U.S. \$0.01 (one cent) per gallon. The purchase price includes Sitka cargo wharfage charges for bulk water delivered to ABWI's vessel.

7.2 Raw water delivered by Sitka to ABWI for vessel wash-down, washout and any other non-export application shall be priced at US \$0.005 (one-half of a cent) per gallon. Such quantities shall be separately metered, and shall not be included in the total quantities of raw water delivered to ABWI for export.

7.3 Beginning July 1, 2021 and every calendar year thereafter, the prices charged by Sitka for water delivered to ABWI under this Agreement will be adjusted by the Sitka Administrator based on the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" (CPI) published the most immediately before January 1 of the calendar year for which prices are being calculated. Notwithstanding the previous sentence, in no event will the CPI adjustment described in the previous sentence exceed + 3.0% nor the adjustment be made if the result of such adjustment would be a decrease in any price charged under this Agreement.

7.4 ABWI shall pay Sitka for all volumes of water delivered to ABWI as actually measured by flow meters owned, operated, and documented by Sitka at or near the point of delivery. One year after the first delivery of water the Sitka Administrator shall arrange for an independent third party to calibrate the flow meters after which they will be calibrated every other year during the term of this Agreement. ABWI shall pay for each quantity of water loaded no later than fifteen (15) days after the presentation of an invoice by Sitka to ABWI for such water. Failure by ABWI to make timely payment shall be a material breach of this Agreement and be cause for Sitka to suspend water delivery to ABWI.

7.5 The non-refundable payment of \$1 million made by ABWI to commence this revised Agreement, and the non-refundable payments of \$1,350,000 previously made by ABWI to Sitka will be credits toward export of water payments within the three-year term of this revised Agreement.

8. Conditions for Maintaining ABWI's Purchase Right and Obligation; Termination.

8.1 Notwithstanding any other provision of this Agreement, this Agreement shall, at Sitka's Administrator's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka's Administrator mails notice to ABWI by certified mail that ABWI has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless within said 45-day period, ABWI cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

8.2 Upon termination, all legal rights and obligations as between Sitka and ABWI under this Agreement shall cease, except that ABWI's obligations to Sitka under Sections 13, 14, 15, 16, and 17 of this Agreement shall survive termination.

9. Sitka's Permitting Actions.

Sitka agrees to take any and all actions which it determines, in the exercise of its sole discretion, to be reasonable, necessary, and economically feasible to maintain in good standing any permit, license,

certificate, allocation, appropriation or other authorization which may authorize Sitka to fulfill its obligations under this Agreement.

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that ABWI shall be solely responsible for the costs of acquisition, construction and installation of any structure, facility or vessel downstream of the point of delivery which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. All structures and facilities must comply with all Federal, State, and local law, including zoning requirements.

10.2 ABWI shall pay such port vessel dockage fees established by Sitka. SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY DOCK OR WHARF AT SUCH WATERFRONT, AND ABWI MUST DETERMINE THE FEASIBILITY OF ANY PARTICULAR USE BEFORE ENGAGING IN SUCH USE.

10.3 ABWI shall be solely responsible for the transportation of all water delivered to it by Sitka for export.

10.4 No later than 30 days before the first delivery of water takes place under this Agreement, ABWI will designate in a writing to Sitka's Administrator a local representative as ABWI's continuing personal contact with Sitka's Administrator and its subordinate departments, agencies and authorities.

10.5 Sitka's flow meter which is used to calculate the quantities of water delivered to ABWI shall be located near the point of delivery.

10.6 Sitka shall retain the right to own, and operate a raw water delivery pipeline that serves the Sawmill Cove Industrial Park, if Sitka so desires. In such event, Sitka may require ABWI to use Sitka's facilities and may change the point of delivery to the point at which Sitka's facilities end. Unless and until Sitka shall deliver such new facilities ABWI shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of bulk water from the point of delivery established by Sitka.

10.7 Sitka hereby grants a license to ABWI to use the pipeline and other facilities for loading water which ABWI has constructed over a portion of Block 4, Lot 9A consisting of approximately 1,875 square feet as pictorially depicted on Appendix C in accordance with the following terms and conditions:

- a. In order to bring itself into compliance with paragraph 10.1, within 30 days of the execution of this amendment ABWI shall apply for and diligently pursue approval of all of the permits and authorizations required by this Agreement to construct and operate the pipeline and other facilities for loading bulk water which it has already constructed within the license area shown on Exhibit A.
- b. The license granted herein is revocable at Sitka's sole discretion, is not assignable, and shall terminate upon the earlier of completion of the work described in subparagraphs c. and d. or termination of this Agreement.

- c. ABWI shall completely remove the pipeline and other facilities for loading bulk water, which it has constructed within the license area as depicted on exhibit A, within 6 months of the termination of this Agreement. Any such materials not removed from the license area within 6 months shall be deemed abandoned and become Sitka's property at Sitka's option.
- d. ABWI shall completely restore the license area as depicted on exhibit A to its original, preconstruction condition to Sitka's sole satisfaction within 6 months of the termination of this Agreement. Should ABWI failed to restore the license area to Sitka's satisfaction, Sitka may contract with third parties to perform the work and ABWI shall pay Sitka for all costs of restoration required to restore the license area to Sitka's satisfaction.
- e. Should ABWI fail to complete the work described in subparagraphs c. and d. above by the fifth month after termination, it shall provide Sitka a written report describing the work that remains to be done and ABWI's plan for completing that work within the next 30 days.

11. Ballast Water and Wash Water Discharges.

11.1 ABWI shall comply with all provisions of law applicable to its obligations under this Agreement. ABWI shall comply with all applicable international, federal, state, and local requirements regarding the discharge of any ballast water (including bilge water) or any wastes at all times and as to all vessels traveling to and from Silver Bay and/or Sawmill Cove for the purpose of receiving any water to be delivered to ABWI by Sitka under this Agreement. Such requirements described in this Section include but are not limited to those in Section IV of the Sawmill Cove Management Plan, which is included in Appendix B.

11.2 ABWI shall comply with all applicable federal, state and local requirements regarding the use and disposal of any raw or treated water delivered to ABWI by Sitka for the purposes of vessel wash-down or washout, or any other non-export application.

12. Water Loading Plan Requirements.

12.1 Before ABWI loads any bulk water delivered to it by Sitka, ABWI shall submit to Sitka's Administrator a written Water Loading Plan. This Plan shall be deemed approved by Sitka's Administrator unless no later than seven days after the submission the Administrator of Sitka in his or her sole discretion rejects—or requires ABWI to resubmit—any portion of the Plan in a writing to ABWI that states the deficiency. Sitka shall deliver no bulk water to ABWI and ABWI shall not load any bulk water delivered to it by Sitka as long as any portion of the Plan has been rejected and not approved after re-submittal. ABWI shall submit a separate Water Loading Plan at least ten (10) days before each loading of bulk water under this Agreement.

12.2 The Water Loading Plans required by this section shall address environmental and logistical considerations related to the loading of water. The issues and items to be addressed in each Water Loading Plan shall include, without limitation, each of the following:

- a) identify and provide information requested by the Administrator regarding any vessel to be used by ABWI in the loading or transport of bulk water;

- b) steps to be taken to insure the safety of persons in any way involved in the loading of bulk water;
- c) certification that ABWI has a Contingency Plan that meets all of the items required by State law applicable to the vessel that is being loaded;
- d) steps to be taken to insure safety of the public before, during, and after loading of water;
- e) steps to be taken to address the effects of wind and tidal conditions on the loading;
- f) steps to be taken concerning moorage and access to vessels during loading;
- g) steps to assure communication before, during, and after loading between those loading and Sitka representatives;
- h) details about the precise location and proposed use of any structure, facility, pipe, pipeline, or other infrastructure to be used in the loading of water and details of how ABWI intends to address the risks associated with a catastrophic event arising from ABWI's loading activities or ABWI's failure to adhere to the proposed Water Loading Plan;
- i) steps to be taken to avoid conflicts with other vessel traffic and industrial park users;
- j) details on proposed handling of any ballast water in any vessel to be used in the loading of water, including plans to respond to the unauthorized discharge of such water;
- k) details on proposed handling of any residual and/or wash water, or other materials in the tanks of any vessel to be used in the loading;
- l) the days and the periods of time within each day that water is proposed to be loaded;
- m) details describing how the proposed Water Loading Plan shall be made consistent with Appendix B, which includes the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property)." The details describing such consistency must include any and all specific steps to be taken to avoid anchoring in prohibited areas and in any way disturbing the sea bottom in the "No Disturbance" zone described in the last-referenced documents; and

12.3 ABWI shall comply with all provisions of each Water Loading Plan after all of such provisions have been approved either upon submittal or re-submittal under Subsection 12.1 above, as to the water loading operation for which the Water Loading Plan was submitted.

12.4 APPROVAL BY SITKA'S ADMINISTRATOR OF ANY WATER LOADING PLAN SHALL NOT IMPOSE UPON SITKA THE STATUS OF GUARANTOR OF THE FEASIBILITY,

PROPRIETY, OR SAFETY OF ANY ASPECT OF AN APPROVED WATER LOADING PLAN, NOR SHALL SUCH APPROVAL CREATE OR CONFER BENEFITS ON ANY THIRD PARTY.

13. Indemnification of Sitka.

13.1 Notwithstanding anything to the contrary in this Agreement, ABWI shall defend, indemnify, and hold Sitka harmless from any claim, demand, action, or proceeding of any kind or nature, based upon, arising out of, or related to:

- a. any defect or flaw in the quality of water supplied under this agreement;
- b. any delays on the part of Sitka in the delivery of water under this agreement as the result of the mechanical or physical breakdown of equipment or facilities owned or operated by the Sitka or other unforeseen event;
- c. claims arising from the transportation or shipment of water after such water has left Sitka's water delivery system and as such has passed the point of delivery;
- d. injuries to employees of ABWI or any of its contractors;
- e. damages resulting from accidents involving mooring, unmooring, navigation of vessels, or cargo loading operations, including but not limited to claims for personal injury, property damage, and pollution; and
- f. violations and claims of violations related to the water loading plan described in Paragraph 12.2.

13.2 ABWI shall at all times during this Agreement maintain insurance policies providing umbrella coverage against matters including but not limited to those covered by this agreement in an amount not less than U.S. \$5,000,000, with the City and Borough of Sitka named as an additional insured, and with a waiver of subrogation against Sitka. ABWI shall be responsible for ensuring that each of its contractors complies with this term. ABWI shall provide a copy of the certificate insurance ABWI to Sitka within 30 days of the execution of this Agreement. ABWI shall assure that any contractor for ABWI who is to perform any task or work within the territorial jurisdiction of Sitka has insurance appropriate to any task to be performed by that contractor, and ABWI shall deliver a certificate of such insurance to Sitka within 30 days of such hiring.

13.3 ABWI shall ensure that its customers take full responsibility for water product quality that they receive subsequent to ABWI's on-site Quality Control laboratory tests. ABWI's Quality control staff shall securely store a reasonable quantity of water sampled from each bulk water shipment for 24 months for re-analysis, if required for any reason by Sitka's Administrator. Sitka's Administrator shall arrange at ABWI's expense for an independent third party Quality Control laboratory to monitor the security of ABWI's Water Quality Control staff's water sample storage and ABWI's staff's adherence to nationally recognized storage protocols.

14. Assignment.

This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

Should Sitka form a Port Authority, or similar entity, this Agreement shall be completely transferable to said Port Authority. A transfer of the Agreement to any such entity shall not create any restrictions upon ABWI to purchase water other than those restrictions set out in this Agreement.

15. Waiver and Integration.

This Agreement integrates the entire Agreement between the parties regarding the sale and purchase of water in bulk. This Agreement supersedes all previous agreements, discussions, and negotiations, whether written or oral. Each party specifically acknowledges and represents that it has had ample opportunity to consult with legal counsel regarding this Agreement, and that any rule that an agreement should be construed against its drafter shall not apply to this Agreement.

16. Force Majeure.

Neither party shall be in breach of this Agreement as the result of any failure or delay in performing any of the obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by storm, flood, avalanche, landslide, earthquake, tsunami, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, or act of God. Sitka shall not be in breach of this Agreement as the result of any failure or delay in performing any of its obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by any order of any United States court of competent jurisdiction, or by any act, rule, regulation, order or directive of any superior governmental unit or any agency thereof, or by any termination, modification, suspension, or revocation of any permit, license, allocation, appropriation, or certificate held by Sitka. In the event Sitka or ABWI is relieved of an obligation under this Agreement due to Force Majeure, time frames under this Agreement shall be adjusted accordingly. The party asserting a Force Majeure event must demonstrate by clear and convincing evidence that the failure or delay in performance is directly and proximately caused by a Force Majeure event.

17. Applicable Law.

This Agreement shall be construed in accordance with the laws and procedures of the State of Alaska.

18. Dispute Resolution.

18.1 GOOD FAITH EFFORTS OF THE PARTIES. Upon notice by either party to the other party of any dispute or claim arising out of or related to this Agreement the parties shall first make a good-faith endeavor to resolve the dispute or claim by meeting informally “face-to-face” within 15 days of such notice to mediate the dispute or claim in good faith without a third-party mediator.

18.2 JURISDICTION AND VENUE. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this

Agreement or for any other remedy, such an action shall be brought in the Superior Court for the State of Alaska. Venue for any such action or lawsuit shall lie exclusively in Sitka, Alaska. The parties specifically agree not to remove jurisdiction to federal courts on the grounds of diversity of citizenship.

18.3 ATTORNEY'S FEES AND LEGAL EXPENSES. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this Agreement or for any other remedy, the party that is successful in such action shall be entitled to receive from the losing party all of its reasonable legal costs and expenses, including without limitation, reasonable attorneys' fees and all arbitration costs.

19. Effective Date.

This Agreement shall become effective upon ABWI making a non-refundable payment of \$1,000,000 to Sitka, no later than December 8, 2015. Should ABWI make such a payment, December 8, 2015 will be the "effective date" for the purpose of any time period which incorporates that term in this Agreement. Should ABWI fail to make such a payment this Agreement is null and void.

20. Authority.

The parties represent and warrant to each other that they have the full, complete, and absolute authority to enter into this Agreement; that this Agreement has been duly authorized by the governing body of each party; that the person executing this Agreement on its behalf has the full power and authority to do so; and that this Agreement is binding and enforceable against it in accordance with its terms. ABWI acknowledges that this Agreement is only effective as against Sitka if the City and Borough of Sitka Assembly votes to authorize the Administrator to execute this Agreement on behalf of Sitka, and the Administrator of Sitka represents and warrants by affixing his signature to this Agreement that the Assembly has so voted.

21. Amendment and Severability.

This Agreement may not be amended except by written agreement of both parties. If any provision of this Agreement or any application thereof to any person, entity, or circumstance is held invalid, the remainder of this Agreement and application thereof to any person, entity, or circumstances shall not be affected thereby.

22. Time of Essence.

Time is of the essence in this Agreement.

23. Notices.

Any notices required or authorized to be given by this Agreement shall be in writing and shall be sent by **email** and by either commercial courier, facsimile, or by certified U.S. mail, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this Section. Such notice shall be effective on the date of receipt through the mails or by courier by the addressee party, except that any

facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to ABWI: Terry Trapp, CEO
Alaska Bulk Water Inc.
4500 Sawmill Creek Road
Sitka, Alaska 99835

If to Sitka: Administrator
City and Borough of Sitka
100 Lincoln St
Sitka, Alaska, 99835

IN WITNESS THEREOF, the parties have executed this Agreement as of the dates shown below.

TRUE ALASKA BOTTLING COMPANY

THE CITY AND BOROUGH OF SITKA

DATE _____

MARK GORMAN, City and Borough Administrator

DATE _____

ATTEST:

SARA PETERSON CMC
Municipal Clerk

STATE OF ALASKA)
) ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2015, before me, a Notary Public in and for the State of Alaska personally appeared _____ to me known and known to me to be the person whose name is subscribed to the foregoing **PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER** and after being first duly sworn according to law, he stated to me under oath that he is the _____ of **ALASKA BULK WATER INC.**, that he has been authorized by said company to execute the foregoing **PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER** on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

Notary Public
My Commission Expires:

STATE OF ALASKA)
) ss. **MUNICIPAL ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2006 before me, a Notary Public in and for the State of Alaska, personally appeared **MARK GORMAN** to me known and known to me to be the person whose name is subscribed to the foregoing **PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER**, and after being first duly sworn according to law, he stated to me under oath that he is the **ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized by said municipality to execute the foregoing **PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER** on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska
My Commission Expires:
Residing at Sitka, Alaska

**TRUE ALASKA BOTTLING COMPANY
PURCHASE AGREEMENT
FOR RAW WATER
IN BULK FOR EXPORT**

BETWEEN:

City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

AND

True Alaska Bottling Company
4500 Sawmill Creek Road
Sitka, Alaska 99835

1. Term and Documents Comprising this Agreement.

1.1 The initial term of this Agreement shall begin on the effective date and shall end at 11:59 p.m. Alaska Standard Time on December 31, 2026 The City and Borough of Sitka (hereinafter referred to as "Sitka" in this Agreement) hereby grants to True Alaska Bottling Company (hereinafter referred to as "TAB" in this Agreement), on the terms and conditions set forth herein, the right to purchase raw water in bulk for export, to be delivered to it by Sitka from the Blue Lake reservoir, a water source within Sitka.

1.2 At the conclusion of the initial term of this Agreement, each of three additional terms of five (5) years each for extension of this Agreement may be exercised upon the consent of both parties. TAB must notify Sitka in writing no later than four (4) months before the end of the initial Agreement period of its desire to add an additional five year term, and shall thereafter notify Sitka no later than four (4) months prior to the expiration of each exercised additional term of its desire to exercise the next five year time period. If TAB does not timely notify Sitka in writing, the Agreement will terminate at the expiration of the then-current contract term. Sitka's bulk raw water price is subject to re-negotiation before the commencement of each additional term. If said price is not agreed to, the Agreement will terminate at the expiration of the then-current contract term. Either party may decide to not implement any additional term for any reason, in its sole discretion.

1.3 The Agreement shall consist of the 21 sections in this Agreement plus Exhibit A (a map) and Exhibit B (the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property).")

2. Definitions.

In this Agreement, the following terms shall have the definitions stated:

- a) "acre-foot" or "af" means 325,851 U.S. gallons.
- b) "annually" means 12 consecutive months.
- c) "beneficial use" means the application of water, purchased by TAB for export or for use at the point of delivery, to a useful purpose, including domestic, commercial, agricultural, wildlife, and recreational uses.
- d) "BG" or "bg" means billions of gallons.
- e) "bulk water" means raw water or potable water sold by Sitka to TAB under this Agreement, and delivered by Sitka to TAB in the measured quantities specified in this Agreement.
- f) "deliver" or "to deliver" or "delivered" means the act by Sitka of making a specific quantity of water available to TAB at the point of delivery.
- g) "export" means the transportation by TAB of bulk water to a destination outside the hydrologic unit of the Blue Lake drainage.
- h) "gallon" means one US gallon or 3.785 liters.
- i) "MG" or "mg" means millions of gallons.
- j) "MGD" means millions of gallons per consecutive 24-hour period.
- k) "per day" means calendar day starting at midnight.
- l) "per week" means during a period of seven (7) consecutive days.
- m) "per year" means during a period of 12 consecutive months.
- n) "point of delivery" means that physical location where the legal possession, ownership, and risk associated with the bulk water which is the subject of this Agreement transfers from Sitka to TAB, as specified in this Agreement.
- o) "raw water" means untreated water delivered by Sitka from Blue Lake via the Blue Lake penstock, a conduit which transports water from Blue Lake to the Blue Lake Powerhouse as shown on Exhibit A.
- p) "rule curve" means the relationship between the elevation of the water surface of Blue Lake and the volume of water contained in Blue Lake, as it pertains to the reservation of water for fish, wildlife, and habitat protection.
- q) "Stage" means a time period in this Agreement that starts 12 months after the effective date of this Agreement; a Stage is composed of one or more 12-month periods, with each 12-month period starting on the anniversary of the day the Stage begins.
- r) "Stage Anniversary Date" means the day starting a 12-month period in a Stage.

s) "ton" means one US short ton or 2,000 pounds.

t) "water rights" means those rights to the beneficial use of water which are held by Sitka under certificates of appropriation issued by the State of Alaska pursuant to Alaska law.

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,960 acre-feet of raw water for a period of 24 months after the effective date of this Agreement. At the conclusion of the 24-month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the 24-month period immediately after the effective date of this Agreement, TAB must take delivery of and export at least 20 million gallons of water. If TAB does not take delivery of and export at least 20 million gallons of water from Sitka pursuant to this Agreement in the first 24 months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 Twenty four months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	122.8 af (40mg)	61.4 af (20mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	122.8 af (40mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

Stage 1: Stage 1 begins 24 months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of 61.4 af (20 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within said 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

Stage 2: If TAB takes delivery of and exports a total of at least 122.8 acre-feet (40 MG) of bulk water in a 12-month period, then the amount of bulk water Sitka will make available for delivery to TAB will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for a 12-month period starting on the Stage Anniversary Date of Stage 2, TAB must have taken delivery of and exported from Sitka at least 122.8 af (40 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 2. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 2, TAB reverts to Stage 1 and a new Stage Anniversary Date of Stage 1 is created.

Stage 3: If TAB takes delivery of and exports a total of at least 306.9 acre-feet (100 MG) of bulk water per 12-month period, then the amount of water Sitka will make available for delivery to TAB will be increased to 4,000 acre-feet per year, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 3 for a 12-month period starting on the Stage Anniversary Date of Stage 3, TAB must have taken delivery of and exported from Sitka at least 306.9 af (100 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 3. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 3, TAB reverts to Stage 2 and a new Stage Anniversary Date of Stage 2 is created.

Stage 4: If TAB takes delivery of and exports a total of at least 920.7 acre-feet (300 MG) per 12-month period, then the amount of water Sitka will make available for delivery to TAB will be increased to 10,000 acre-feet per 12-month period, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 4 for a 12-month period starting on the Stage Anniversary Date of Stage 4, TAB must have taken delivery of and exported from Sitka at least 920.7 af (300 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 4. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 4, TAB reverts to Stage 3 and a new Stage Anniversary Date of Stage 3 is created.

Stage 5: If TAB takes delivery of and exports a total of 3,068.9 acre feet (1 billion gallons) of water per 12-month period, then TAB may request from Sitka additional bulk water of which the amount will be determined by Sitka at its sole discretion at that time, provided that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 5 for a 12-month period starting on the Stage Anniversary Date of Stage 5, TAB must have taken delivery of and exported from Sitka at least 3,068.9 af (1 BG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 5. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 5, TAB reverts to Stage 4 and a new Stage Anniversary Date of Stage 4 is created.

3.3 If TAB fails to take delivery of and export the required minimum quantities specified in Stages 2 through 5 within the time periods specified in those Stages as set out in Subsection 3.2, the respective obligations of Sitka to make water available and of TAB to take delivery of and accept and export shall be reduced to the next lower Stage for the next 12-month period. If TAB meets the minimum performance requirement of that lower Stage within the time period specified, then the next higher Stage shall again become applicable to Sitka's and TAB's respective obligations during the next 12-month period. The date upon which Sitka moves TAB either up or down from stage to stage will start

the 12-month time period anew and create a new Stage Anniversary Date, provided at that time that Sitka still has adequate water quantities available and uncommitted for export.

3.4 Notwithstanding any other provision of this Agreement, if water delivered by Sitka to TAB and exported by TAB falls below 20 million gallons during any period of 12 consecutive months, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.5 During the first year after the effective date of this Agreement and during periods of any Stage under this Agreement, TAB may take delivery of raw water at a rate no greater than 33.6 MGD.

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

4.1 By this contract, Sitka is entering into an Agreement to sell raw water in bulk under water rights issued to Sitka by the State of Alaska under water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's contractual obligation to deliver water to TAB in the quantities specified in this Agreement is subject to these limitations:

- a) Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to TAB to meet the reasonable requirements of its municipal drinking water and hydroelectric systems.
- b) Sitka will abide by the 1992 Blue Lake Watershed Control Plan as approved by the U.S. Environmental Protection Agency and described in City and Borough of Sitka Ordinance No. 92-1091.
- c) Sitka may temporarily suspend raw water deliveries in bulk in order to perform routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that Sitka shall give not less than 60 days prior notice to TAB of any such planned suspensions.
- d) Sitka shall be relieved of its obligation to deliver raw water in bulk to TAB in the event of an interruption in water supply due to Force Majeure, or due to unforeseen circumstances that require repairs to or reconstruction of the municipal drinking water, hydroelectric systems, water delivery system, or other of Sitka's facilities, to the extent that the availability of raw water in bulk for delivery to TAB under this Agreement is adversely affected, and for so long as is required to effect such repairs or reconstruction, for such time as is necessary to address such circumstances.
- e) The volumes of Sitka's raw water deliveries in bulk to TAB for export are subject to Sitka's compliance with all conditions contained in Water Appropriation Certificates ADL 43826, LAS 19669, and LAS 20526, including compliance with the rule curve and the support of spawning, incubation, and rearing of certain species of fish in Sawmill Creek and Blue Lake.

Interpretation of applicable requirements and the means used to achieve compliance with such requirements shall be in Sitka's sole discretion.

f) In the event Sitka is relieved of its obligation to make agreed quantities of water available to TAB for reasons noted in this paragraph or due to Force Majeure, then TAB's obligation to take delivery of and to export water shall be reduced to the volumes actually delivered by Sitka during that period of time and the time for TAB's performance shall be extended for the same period of time Sitka has been so relieved of its obligation.

4.2 TAB agrees and warrants that the raw water in bulk delivered by Sitka to it for export shall be put to one or more beneficial uses by it or by its water purchasers.

5. Water Distribution.

5.1 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to not sell water for export to other entities for a price less than the price currently charged to TAB for equivalent Blue Lake water without offering the same price to TAB.

5.2 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to refer all inquiries from third parties for the purchase of bulk water to TAB. If TAB is unable to come to terms for sale of bulk water to said third parties within 90 days of the referral by Sitka to TAB, Sitka may proceed with direct negotiations with said third party without further obligation to TAB.

5.3 Notwithstanding any other provision of this Agreement, this Section does not apply to any purchaser of bulk water who has executed a bulk water purchase agreement with Sitka prior to the date of this Agreement, including any assignee of such agreement.

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

6.1 Sitka does not warrant the quality or fitness for a particular purpose of any water contracted by it for delivery, and/or actually delivered, to TAB under this Agreement. TAB acknowledges and agrees that before entering into this Agreement, it has examined Sitka's water source, Sitka's methods of diversion, and Sitka's means of delivery to TAB of the quantities of water which are contracted under this Agreement, and that it has found all such items adequate and satisfactory for TAB's purposes.

6.2 TAB acknowledges and agrees that Sitka's necessary and routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect TAB's contractual obligations under this Agreement.

6.3 TAB acknowledges and agrees that the quality of water contracted by Sitka to be delivered in bulk to it for export may vary due to natural events over which Sitka has no control, which include, without limitation, rainfall, drought, snowfall, avalanches and landslides, and that the occurrence of such events shall not alter or affect TAB's contractual obligations under this Agreement, except that the quantity of water TAB is obligated to take delivery of and to export shall be reduced to the quantity Sitka can and does make available for delivery to TAB, as a consequence of an occurrence of any of such natural events.

6.4 TAB shall be solely responsible and liable for the quality and usefulness for any particular purpose of all water exported by, transported by, used by, or sold by, or delivered by TAB.

7. Purchase Price For Bulk Water.

7.1 TAB will purchase bulk water for export from Sitka under this Agreement, based upon the following prices: Raw water delivered in bulk to TAB for export shall be priced at U.S. \$0.01 (one cent) per gallon. The purchase price includes Sitka cargo wharfage charges for bulk water delivered to TAB's vessel.

7.2 Raw water delivered by Sitka to TAB for vessel wash-down, washout and any other non-export application shall be priced at US \$0.005 (one-half of a cent) per gallon. Such quantities shall be separately metered, and shall not be included in the total quantities of raw water delivered to TAB for export.

7.3 Beginning July 1, 2016 and every calendar year thereafter, the prices charged by Sitka for water delivered to TAB under this Agreement will be adjusted based on the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" (CPI) published the most immediately before January 1 of the calendar year for which prices are being calculated. Notwithstanding the previous sentence, in no event will the CPI adjustment described in the previous sentence exceed + 3.0% nor the adjustment be made if the result of such adjustment would be a decrease in any price charged under this Agreement.

7.4 TAB shall pay Sitka for all volumes of water delivered to TAB as actually measured by flow meters owned, operated, and documented by Sitka at or near the point of delivery. TAB shall pay for each quantity of water loaded no later than fifteen (15) days after the presentation of an invoice by Sitka to TAB for such water. Failure by TAB to make timely payment shall be cause for Sitka to suspend water delivery to TAB.

8. Conditions for Maintaining TAB's Purchase Right and Obligation; Termination.

8.1 Notwithstanding any other provision of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

8.2 Upon termination, all legal rights and obligations as between Sitka and TAB under this Agreement shall cease, except that TAB's obligations to Sitka under Sections 13, 14, 15, 16, and 17 of this Agreement shall survive termination.

9. Sitka's Permitting Actions.

Sitka agrees to take any and all actions which it determines, in the exercise of its sole discretion, to be reasonable, necessary, and economically feasible to maintain in good standing any permit, license, certificate, allocation, appropriation or other authorization which may authorize Sitka to fulfill its obligations under this Agreement.

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that TAB shall be solely responsible for the costs of acquisition, construction and installation of any structure, facility or vessel which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation.

10.2 TAB shall pay such port vessel dockage fees established by Sitka. Sitka does not warrant the quality or fitness for a particular purpose of any dock or wharf at such waterfront, and TAB must determine the feasibility of any particular use before engaging in such use.

10.3 TAB shall be solely responsible for the transportation of all water delivered to it by Sitka for export.

10.4 No later than 30 days before the first delivery of water takes place under this Agreement, TAB will designate in a writing to Sitka's Administrator a local representative as TAB's continuing personal contact with Sitka and its subordinate departments, agencies and authorities.

10.5 Sitka's point of delivery of bulk water to TAB shall be that physical location where the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to TAB, terminate, and which is the location where the remaining physical facilities and equipment employed in the transportation of such water are facilities owned by others. Sitka's flow meter which is used to calculate the quantities of water delivered to TAB shall be located near the point of delivery.

10.6 Sitka shall retain the right to pay for, install, own, and operate a raw water delivery pipeline that serves the Sawmill Cove Industrial Park, if Sitka so desires. In such event, Sitka may require TAB to use Sitka's new facilities and may change the point of delivery to the point at which Sitka's new facilities end. Unless and until Sitka shall deliver such new facilities TAB shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of bulk water from the point of delivery established by Sitka.

11. Ballast Water and Wash Water Discharges.

11.1 TAB shall comply with all provisions of law applicable to its obligations under this Agreement. TAB shall comply with all applicable international, federal, state, and local requirements regarding the discharge of any ballast water (including bilge water) or any wastes at all times and as to all vessels traveling to and from Silver Bay and/or Sawmill Cove for the purpose of receiving any water to be delivered to TAB by Sitka under this Agreement. Such requirements described in this Section include but are not limited to those in Section IV of the Sawmill Cove Management Plan, which is included in Appendix B.

11.2 TAB shall comply with all applicable federal, state and local requirements regarding the use and disposal of any raw or treated water delivered to TAB by Sitka for the purposes of vessel wash-down or washout, or any other non-export application.

12. Water Loading Plan Requirements.

12.1 Before TAB loads any bulk water delivered to it by Sitka, TAB shall submit to Sitka a written Water Loading Plan. This Plan shall be deemed approved by Sitka unless no later than seven days after the submission the Administrator of Sitka in his or her sole discretion rejects—or requires TAB to resubmit—any portion of the Plan in a writing to TAB that states the deficiency. Sitka shall deliver no bulk water to TAB and TAB shall not load any bulk water delivered to it by Sitka as long as any portion of the Plan has been rejected and not deemed approved after re-submittal. TAB shall submit a separate Water Loading Plan at least ten (10) days before each loading of bulk water under this Agreement.

12.2 The Water Loading Plans required by this section shall address environmental and logistical considerations related to the loading of water. The issues and items to be addressed in each Water Loading Plan shall include, without limitation, each of the following:

- a) details concerning any vessel to be used by TAB in the loading or transport of bulk water;
- b) steps to be taken to insure the safety of persons involved in the loading of bulk water;
- c) steps to be taken to insure safety of the public before, during, and after loading of water;
- d) steps to be taken to address the effects of wind and tidal conditions on the loading;
- e) steps to be taken concerning moorage and access to vessels during loading;
- f) steps to assure communication before, during, and after loading between those loading and Sitka representatives;
- g) details about the precise location and proposed use of any structure, facility, pipe, pipeline, or other infrastructure to be used in the loading of water and details of how TAB intends to address the risks associated with a catastrophic event arising from TAB's loading activities or TAB's failure to adhere to the proposed Water Loading Plan;
- h) steps to be taken to avoid conflicts with other vessel traffic and industrial park users;
- i) details on proposed handling of any ballast water in any vessel to be used in the loading of water;
- j) details on proposed handling of any residual and/or wash water, or other materials in the tanks of any vessel to be used in the loading;
- k) the days and the periods of time within each day that water is proposed to be loaded; and
- l) details on consistency between the proposed Water Loading Plan and Appendix B, which includes the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka[:] Management Plan for Sawmill Cove Property (Former APC Property)." Such details on such consistency must include any and all specific steps to be taken to avoid anchoring in prohibited areas and

disturbance of the sea bottom in the "No Disturbance" zone described in the last-referenced document.

12.3 TAB shall comply with all provisions of each Water Loading Plan after all of such provisions have been deemed approved either upon submittal or re-submittal under Subsection 12.1 above, as to the water loading operation for which the Water Loading Plan was submitted.

12.4 Approval by Sitka of any Water Loading Plan shall not be deemed to have imposed upon Sitka the status of guarantor of the feasibility, propriety, or safety of any aspect of an approved Water Loading Plan, nor shall such approval be deemed to have created or conferred benefits on any third party.

13. Indemnification of Sitka.

Notwithstanding anything to the contrary in this Agreement, TAB shall defend, indemnify, and hold Sitka harmless from any claim, demand, action, or proceeding of any kind or nature, based upon, arising out of, or related to:

- a. any defect or flaw in the quality of water supplied under this agreement;
- b. any delays on the part of Sitka in the delivery of water under this agreement as the result of the mechanical or physical breakdown of equipment or facilities owned or operated by the Sitka;
- c. claims arising from the transportation or shipment of water after such water has left Sitka's water delivery system and as such has passed the point of delivery;
- d. injuries to employees of TAB or any of its contractors;
- e. damages resulting from accidents involving mooring, unmooring, navigation of vessels, or cargo loading operations, including but not limited to claims for personal injury, property damage, and pollution.

TAB shall at all times during this Agreement maintain insurance policies providing umbrella coverage against matters including but not limited to those discussed in this agreement in an amount not less than U.S. \$5,000,000, with the City and Borough of Sitka named as an additional insured, and with a waiver of subrogation against Sitka. TAB shall be responsible for ensuring that each of its contractors complies with this term. TAB shall deliver reasonable evidence of TAB's compliance with this term to Sitka. TAB shall assure that any contractor for TAB who is to perform any task or work within the territorial jurisdiction of Sitka has insurance appropriate to any task to be performed by that contractor, and TAB shall be responsible for delivering reasonable evidence of such insurance to Sitka.

TAB will ensure that its customers take full responsibility for water product quality that they receive subsequent to TAB's on-site Quality Control laboratory tests. TAB's Quality control staff shall securely store a reasonable quantity of water sampled from each bulk water shipment for 24 months for re-analysis, if required.

14. Assignment.

This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

TAB may assign this Agreement on a one time basis to Langenberg Research LLC 3590 W. Third St, Eugene, Oregon 97402 if, at the time of assignment, Langenberg Research LLC can demonstrate it is financially capable of performing the requirements of this Agreement to the satisfaction of Sitka.

Langenberg Research shall be bound by all the terms and requirements of this Agreement.

Langenberg Research shall not be authorized to assign this Agreement to any third party without prior written consent of Sitka.

Sitka may form a Port Authority or similar entity, in the future and this agreement shall be completely transferable to said Port Authority. A transfer of the agreement to any such entity shall not create any restrictions upon TAB to purchase water other than those restrictions named in this agreement.

15. Waiver and Integration.

This Agreement integrates the entire Agreement between the parties regarding the sale and purchase of water in bulk. This Agreement supersedes all previous agreements, discussions, and negotiations, whether written or oral. Each party specifically acknowledges and represents that it has had ample opportunity to consult with legal counsel regarding this Agreement, and that any rule that an agreement should be construed against its drafter shall not apply to this Agreement.

16. Force Majeure.

Neither party shall be in breach of this Agreement as the result of any failure or delay in performing any of the obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by storm, flood, avalanche, landslide, earthquake, tsunami, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, or act of God. Sitka shall not be in breach of this Agreement as the result of any failure or delay in performing any of its obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by any order of any United States court of competent jurisdiction, or by any act, rule, regulation, order or directive of any superior governmental unit or any agency thereof, or by any termination, modification, suspension, or revocation of any permit, license, allocation, appropriation, or certificate held by Sitka. In the event Sitka or TAB is relieved of an obligation under this Agreement due to Force Majeure, time frames under this Agreement shall be adjusted accordingly. The party asserting a Force Majeure event must demonstrate direct and proximate cause by clear and convincing evidence.

17. Applicable Law.

Any action or lawsuit brought to construe, interpret, or enforce this Agreement shall be brought in the courts of the State of Alaska sitting in Sitka, Alaska. Venue for any such action or lawsuit shall lie exclusively in Sitka, Alaska. The parties specifically disavow any application under the removal

jurisdiction of the federal courts on grounds of diversity of citizenship, in any litigation concerning this Agreement.

18. Effective Date.

This Agreement is effective as of the last date signed below, which shall be deemed the “effective date” for the purpose of any time period which incorporates that term in this Agreement.

19. Authority.

The parties represent and warrant to each other that they have the full, complete, and absolute authority to enter into this Agreement; that this Agreement has been duly authorized by the governing body of each party; that the person executing this Agreement on its behalf has the full power and authority to do so; and that this Agreement is binding and enforceable against it in accordance with its terms. TAB acknowledges that this Agreement is only effective as against Sitka if the City and Borough of Sitka Assembly votes to authorize the Administrator to execute this Agreement on behalf of Sitka, and the Administrator of Sitka represents and warrants by affixing his signature to this Agreement that the Assembly has so voted.

20. Amendment and Severability.

This Agreement may not be amended except by written agreement of both parties. If any provision of this Agreement or any application thereof to any person, entity, or circumstance is held invalid, the remainder of this Agreement and application thereof to any person, entity, or circumstances shall not be affected thereby.

21. Time of Essence.

Time is of the essence in this Agreement.

TRUE ALASKA BOTTLING COMPANY

DATE _____

Richard Kearns, President

STATE OF _____)
) ss. **ACKNOWLEDGMENT**
_____ JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2006, **Richard Kearns**, known to me or who has produced sufficient identification to be the person whose name is subscribed to on the foregoing **TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT FOR RAW WATER IN BULK FOR EXPORT**, signed this document, and by signing affirms that he is the President of **TRUE ALASKA BOTTLING COMPANY**, that he has been authorized to execute the foregoing document on its behalf, and he executed the document freely and voluntarily.

Notary Public by and for _____
My Commission Expires: _____

THE CITY AND BOROUGH OF SITKA

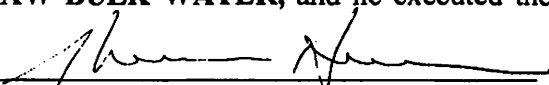


John C. Stein, City and Borough Administrator

DATE 11/9/2006

STATE OF ALASKA)
) ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

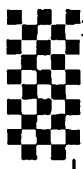
THIS CERTIFIES that on this 9th day of Nov, 2006, **John C. Stein**, known to me or who has produced sufficient identification to be the person whose name is subscribed to on the foregoing **TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT FOR RAW WATER IN BULK FOR EXPORT**, signed this document, and by signing affirms that he is the **ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing **PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER**, and he executed the same freely and voluntarily.



Notary Public for Alaska
My Commission Expires: w. the office

ATTEST:

Colleen Pellett, CMC
Municipal Clerk



TRUE ALASKA BOTTLING COMPANY

Richard Kearns
Richard Kearns, President

DATE 10-10-06

STATE OF Oregon)
) ss. ACKNOWLEDGMENT
)
____ JUDICIAL DISTRICT)

THIS CERTIFIES that on this 10 day of Oct., 2006, Richard Kearns, known to me or who has produced sufficient identification to be the person whose name is subscribed to on the foregoing TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT FOR RAW WATER IN BULK FOR EXPORT, signed this document, and by signing affirms that he is the President of TRUE ALASKA BOTTLING COMPANY, that he has been authorized to execute the foregoing document on its behalf, and he executed the document freely and voluntarily.



Lezlie R Cowart
Notary Public by and for Walter Fargo Bank
My Commission Expires: Sept. 21, 2008

THE CITY AND BOROUGH OF SITKA

John C. Stein
John C. Stein, City and Borough Administrator

DATE 11/9/2006

STATE OF ALASKA)
) ss. ACKNOWLEDGMENT
)
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 9th day of Nov, 2006, John C. Stein, known to me or who has produced sufficient identification to be the person whose name is subscribed to on the foregoing TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT FOR RAW WATER IN BULK FOR EXPORT, signed this document, and by signing affirms that he is the ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing PURCHASE AGREEMENT FOR BLUE LAKE RAW BULK WATER, and he executed the same freely and voluntarily.

John C. Stein
Notary Public for Alaska
My Commission Expires: 11/11/06

ATTEST:

Colleen Pellet, CMC
Municipal Clerk

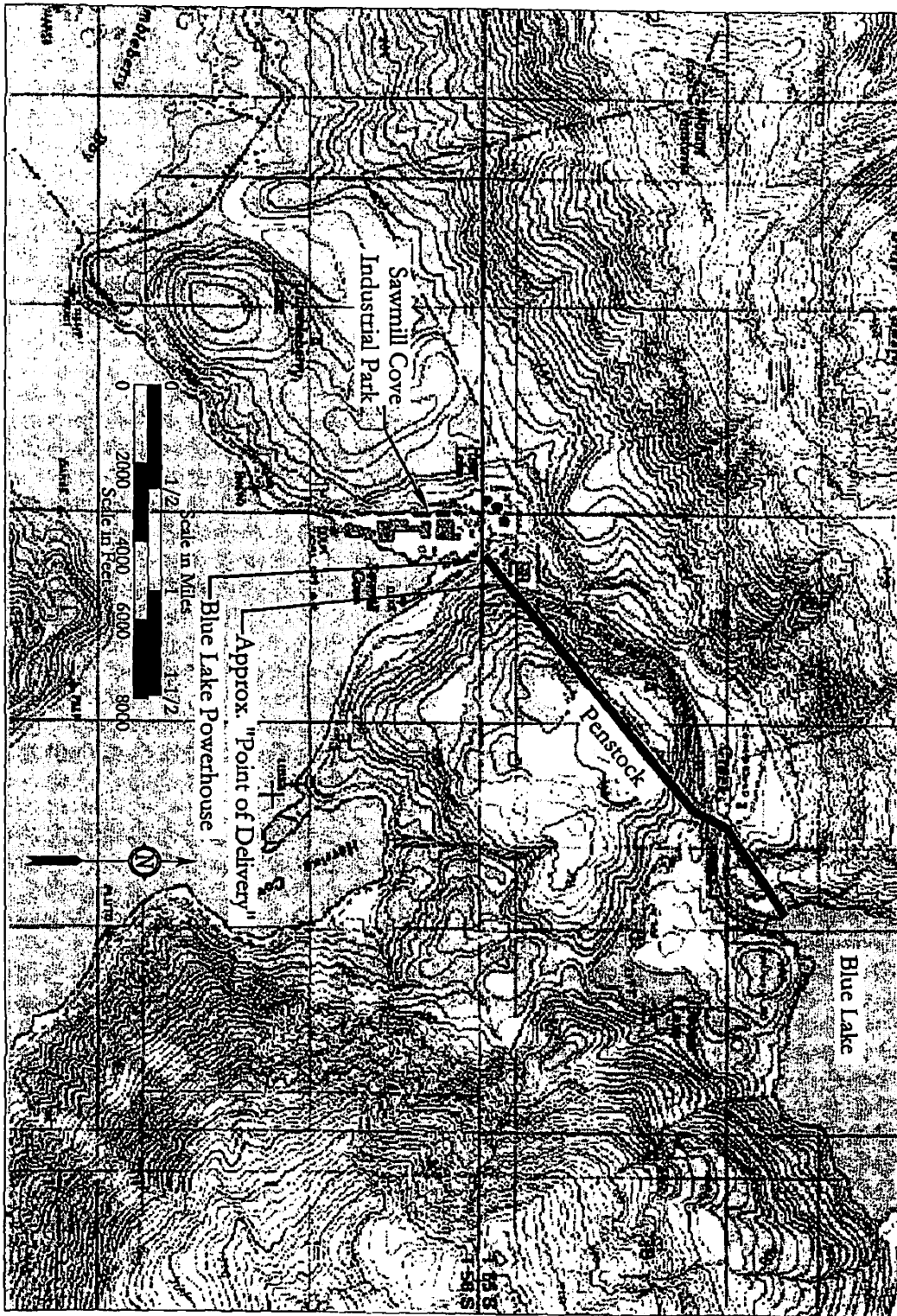



Exhibit A

DATE	2008
DRAWN BY	STW
CHECKED BY	
DESIGNED BY	
PROJECT NO.	
SHEET NO.	


City and Borough of Sitka
 DEPARTMENT OF PUBLIC WORKS
 100 LINCOLN STREET - SITKA, ALASKA 99581
 TEL. (907) 747-1800 FAX (907) 747-3100

Point of Delivery of Bulk Water

REVISIONS	
NO.	DATE

**AMENDMENT NO. 1 TO
TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

WHEREAS, the City and Borough of Sitka (hereinafter "Sitka") and True Alaska Bottling Company ("TAB") executed the "True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export" (hereinafter "the Agreement") with an effective date of October 10, 2006;

WHEREAS, Sitka and TAB agree to amend the Agreement as set out in this Amendment No. 1 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 1") at Sections 3.1 and 3.2, regarding any reference to the first "24 months" of the Agreement, and changing it to the first "36 months" of the Agreement, which will extend the deadline by one additional year until December 8, 2009 for TAB to "take [the required] delivery of and export at least 20 million gallons of water from Sitka pursuant to this Agreement;"

WHEREAS, this agreement to extend TAB's deadline by one additional year at Sections 3.1 and 3.2 is contingent upon TAB agreeing to the following conditions, which were required and approved by the CBS Assembly at its Regular Meeting on January 27, 2009:

1. Revising Section 5.2 of the Agreement to provide for required start or notification dates and 30 day progress updates by TAB regarding third party inquiries for the purchase of bulk water;
2. That Sitka receives a non-refundable payment of \$118,000 in case from TAB at the time of the execution of this Amendment No. 1, and that \$18,000 of that money will go toward outstanding bills that TAB owes to Sitka, with \$100,000 retained by Sitka unencumbered;
3. That TAB agrees to pay, and not contest, the outstanding balance of its current debts owed to the Sitka, by December 1, 2009;
4. That Dick Kearns of TAB submit an affidavit attesting to the existence of a contract to sell bulk water that he is not allowed to share due to a confidentiality agreement; and
5. That this Amendment will take effect upon receipt of \$118,000 to Sitka that must be submitted within one month of the Assembly's motion, by February 27, 2009.

NOW, THEREFORE, Sitka and TAB, based on TAB agreeing and fulfilling all conditions required by the City and Borough of Sitka Assembly set out above, agree to amend the Agreement as follows, as authorized and pursuant to Section 20 of the Agreement:

A. Section 3.1 of the Agreement is amended to read as follows (new language underline; deleted language stricken):

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,960 acre-feet of raw water for a period of 36 months after the effective date of this Agreement. At the conclusion of the 36-month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the 36-month period immediately after the effective date of this Agreement, TAB must take delivery of and export at least 20 million gallons of water. If TAB does not take delivery of and export at least 20 million gallons of water from Sitka pursuant to this Agreement in the first 36 months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

B. Section 3.2 of the Agreement is amended to read as follows (new language underline; deleted language stricken):

3. Water Volumes Contracted by TAB from Sitka.

3.2 Thirty six months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

* * *

Stage 1: Stage 1 begins 36 months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of 61.4 af (20 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within said 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

C. Section 5.2 of the Agreement is amended to read as follows (new language underline; deleted language stricken):

5. Water Distribution.

days

5.2 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to refer all inquiries from third parties for the purchase of bulk water to TAB. TAB shall give written notice to Sitka within seven calendar of any such inquiry, and shall monthly from the date of the initial notice give written status reports to Sitka regarding such inquiries. If TAB reaches agreement with any third party regarding bulk water sales, Sitka shall be given a written notice of such an agreement with three calendar days of the agreement. If TAB is unable to come to terms for sale of bulk water to said third parties within 90 days of the referral by Sitka to TAB, Sitka may proceed with direct negotiations with said third party without further obligation to TAB.

Nothing in this Amendment No. 1 supersedes, voids, or modifies the Agreement except as provide in this Amendment No. 1. All other sections of the Lease that are not modified by this Amendment No. 4 shall remain in full force and effect.

TRUE ALASKA BOTTLING COMPANY

Richard Kearns, President

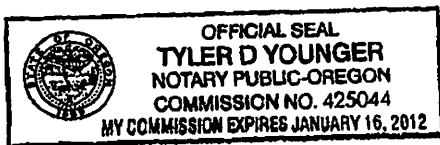
DATE 3-3-09

STATE OF Oregon

Linn JUDICIAL DISTRICT

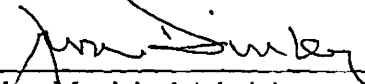
)
) ss. **ACKNOWLEDGMENT**
)

THIS CERTIFIES that on this 3 day of March, 2009, **Richard Kearns**, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of **TRUE ALASKA BOTTLING COMPANY**, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.



Notary Public by and for Linn, Oregon
My Commission Expires: 1/16/12

THE CITY AND BOROUGH OF SITKA

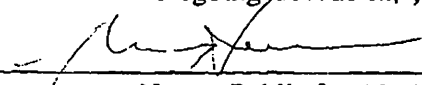


Jim Dinley, Municipal Administrator

DATE 3-26-09


STATE OF ALASKA)
) ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 26th day of March, 2009, **Jim Dinley** signed this document, and by signing affirms that he is the **MUNICIPAL ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, , and executes the document freely and voluntarily.



Notary Public for Alaska
My Commission Expires: with the office

ATTEST:



Colleen Ingman, MMC
Municipal Clerk

**AMENDMENT NO. 2 TO
TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

WHEREAS, the City and Borough of Sitka (hereinafter "Sitka") and True Alaska Bottling Company ("TAB") executed the "True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export" (hereinafter "the Agreement"), with an effective date of October 10, 2006;

WHEREAS, Sitka and TAB agreed to amend the Agreement as set out in the Amendment No. 1 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 1"); and

WHEREAS, Sitka and TAB agree to further amend the Agreement as set out in this Amendment No. 2 to True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 2"); and

WHEREAS, this Agreement to extend TAB's deadline by one additional year at Sections 3.1 and 3.2 is contingent upon TAB agreeing to the following conditions, which were required and approved by the CBS Assembly at its Regular Meeting on January 26, 2010:

1. Revising the Agreement, in part, at Sections 2, 3, 4, 5, 6, 10 and 14. See below and attached "Amended True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk For Export (Incorporating Amendment No. 2) for easy reference to amendments;
2. That Sitka receives a non-refundable payment of \$100,000 from TAB at the time of the execution of this Amendment No. 2, to be applied towards export water payments owed in the next year, but if no export occurs, it shall be retained by Sitka unencumbered;
3. That TAB agrees to pay the outstanding balance of its outstanding lease payment owed to Sitka at the time of the execution of this Amendment No. 2; and
4. That the Amendment will take effect upon receipt of \$100,000 and outstanding lease balance to Sitka, that must be submitted within one month of the Assembly's motion approving Amendment No. 2, not later than February 26, 2010.

NOW, THEREFORE, Sitka and TAB, based on TAB agreeing and fulfilling all conditions required by the City and Borough of Sitka Assembly set out above, agree to Amendment No. 2, which includes amending the Agreement as follows, as authorized and pursuant to Section 20 of the Agreement (new language underline; deleted language stricken):

2. Definitions.

* * *

g) "export" means the transportation by TAB of bulk water to a destination outside the City and Borough of Sitka ~~the hydrologic unit of the Blue Lake drainage.~~

* * *

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,960 acre-feet of raw water for a period of ~~4836~~ months after the effective date of this Agreement. At the conclusion of the ~~4836~~-month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the ~~4836~~-month period immediately after the effective date of this Agreement, TAB must take delivery of and export at least ~~5020~~ million gallons of water. If TAB does not take delivery of and export at least ~~5020~~ million gallons of water from Sitka pursuant to this Agreement in the first ~~4836~~ months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 ~~48 36~~ months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 122.8 af (75mg)	153.4 61.4 af (50.20mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 122.8 af (75.40 mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

Stage 1: Stage 1 begins ~~48~~ 36 months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of ~~153.4~~ 61.4 af (~~50~~ 20 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within the said 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

Stage 2: If TAB takes delivery of and exports a total of at least ~~230.2~~ ~~122.8~~ acre-feet (~~75~~ 40 MG) of bulk water in a 12-month period, then the amount of bulk water Sitka will make available for delivery to TAB will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for a 12-month period starting on the Stage Anniversary Date of Stage 2, TAB must have taken delivery of and exported from Sitka at least ~~230.2~~ ~~122.8~~ af (~~75~~ 40 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 2. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 2, TAB reverts to Stage 1 and a new Stage Anniversary Date of Stage 1 is created.

* * *

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

a. By this contract, Sitka is entering into an Agreement to sell raw water in bulk under water rights issued to Sitka by the State of Alaska under water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's contractual obligation to deliver water to TAB in the quantities specified in this Agreement is subject to these limitations:

a) Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to TAB to meet the reasonable requirements of its municipal drinking water and hydroelectric systems, including the planned expansion of its hydroelectric system.

* * *

c) Sitka may temporarily suspend raw water deliveries in bulk in order to perform planned and routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that Sitka shall give not less than 60 days prior notice to TAB of any such planned suspensions.

* * *

5. Water Distribution.

5.1 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to not sell water for export to other entities for a price less than the price currently charged to TAB for equivalent Blue Lake water without offering the same price to TAB.

~~5.2 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to refer all inquiries from third parties for the purchase of bulk water to TAB. If TAB is unable to come to terms for sale of bulk water to said third parties within 90 days of the referral by Sitka to TAB, Sitka may proceed with direct negotiations with said third party without further obligation to TAB.~~

~~5.3 Notwithstanding any other provision of this Agreement, this Section does not apply to any purchaser of bulk water who has executed a bulk water purchase agreement with Sitka prior to the date of this Agreement, including any assignee of such agreement~~

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

* * *

6.2 TAB acknowledges and agrees that Sitka's planned expansion necessary and routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect TAB's contractual obligations under this Agreement.

* * *

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that TAB shall be solely responsible for the costs of acquisition, construction and installation of any structure, facility or vessel which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. All structures and facilities, ~~for~~ construction of all structures and facilities, must comply with all Federal, State, and local law, including zoning requirements, and must be reviewed by SMCIP Board for its recommendation to Assembly, subject to Assembly approval before construction.

1-27-10
1-27-10

* * *

10.5 Sitka's point of delivery of bulk water to TAB shall be that physical location where the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to TAB, terminates, ~~and which is the location where the remaining physical facilities and equipment employed in the transportation of such water are facilities owned by others.~~ Sitka's flow meter which is used to calculate the quantities of water delivered to TAB shall be located near the point of delivery.

10.6 Sitka shall retain the right to ~~pay for, install,~~ own, and operate a raw water delivery pipeline that serves the Sawmill Cove Industrial Park, if Sitka so desires. In such event, Sitka may require TAB to use Sitka's facilities and may change the point of delivery to the point at which Sitka's ~~new~~ facilities end. Unless and until Sitka shall deliver such new facilities TAB shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of bulk water from the point of delivery established by Sitka.

* * *

14. Assignment.

This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

~~TAB may assign this Agreement on a one time basis to Langenberg Research LLC 3590 W. Third St, Eugene, Oregon 97402 if, at the time of assignment, Langenberg Research LLC can demonstrate it is financially capable of performing the requirements of this Agreement to the satisfaction of Sitka.~~

~~Langenberg Research shall be bound by all the terms and requirements of this Agreement.~~

~~Langenberg Research shall not be authorized to assign this Agreement to any third party without prior written consent of Sitka.~~

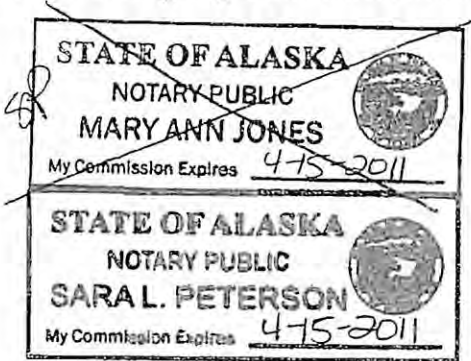
Sitka may form a Port Authority or similar entity, in the future and this agreement shall be completely transferable to said Port Authority. A transfer of the agreement to any such entity shall not create any restrictions upon TAB to purchase water other than those restrictions named in this agreement.

TRUE ALASKA BOTTLING COMPANY

Terrence J Trapp
CEO (title)

STATE OF Alaska)
) ss.
COUNTY OF NA)

THIS CERTIFIES that on this 27 day of January, 2010, Terrence J Trapp, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of TRUE ALASKA BOTTLING COMPANY, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.



Sara L Peterson
Notary Public by and for City and Borough of Sitka
My Commission Expires: 4-15-2011

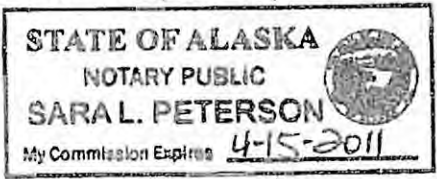
THE CITY AND BOROUGH OF SITKA
Jim Dinley
JIM DINLEY, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 27 day of January, 2010, Jim Dinley signed this document, and by signing affirms that he is the MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, and executes the document freely and voluntarily.

Sara L Peterson
Notary Public for Alaska
My Commission Expires: 4-15-2011

ATTEST:
Sara Peterson for
Colleen Ingman, MMC
Municipal Clerk



**AMENDED
TRUE ALASKA BOTTLING COMPANY
PURCHASE AGREEMENT
FOR RAW WATER
IN BULK FOR EXPORT
(Incorporating Amendment No. 2)**

BETWEEN:

City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

AND

True Alaska Bottling Company
4500 Sawmill Creek Road
Sitka, Alaska 99835

1. Term and Documents Comprising this Agreement.

1.1 The initial term of this Agreement shall begin on the effective date and shall end at 11:59 p.m. Alaska Standard Time on December 31, 2026. The City and Borough of Sitka (hereinafter referred to as "Sitka" in this Agreement) hereby grants to True Alaska Bottling Company (hereinafter referred to as "TAB" in this Agreement), on the terms and conditions set forth herein, the right to purchase raw water in bulk for export, to be delivered to it by Sitka from the Blue Lake reservoir, a water source within Sitka.

1.2 At the conclusion of the initial term of this Agreement, each of three additional terms of five (5) years each for extension of this Agreement may be exercised upon the consent of both parties. TAB must notify Sitka in writing no later than four (4) months before the end of the initial Agreement period of its desire to add an additional five year term, and shall thereafter notify Sitka no later than four (4) months prior to the expiration of each exercised additional term of its desire to exercise the next five year time period. If TAB does not timely notify Sitka in writing, the Agreement will terminate at the expiration of the then-current contract term. Sitka's bulk raw water price is subject to re-negotiation before the commencement of each additional term. If said price is not agreed to, the Agreement will terminate at the expiration of the then-current contract term. Either party may decide to not implement any additional term for any reason, in its sole discretion.

1.3 The Agreement shall consist of the 21 sections in this Agreement plus Appendix A (a map) and Appendix B (the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property).")

2. Definitions.

In this Agreement, the following terms shall have the definitions stated:

- a) "acre-foot" or "af" means 325,851 U.S. gallons.
- b) "annually" means 12 consecutive months.
- c) "beneficial use" means the application of water, purchased by TAB for export or for use at the point of delivery, to a useful purpose, including domestic, commercial, agricultural, wildlife, and recreational uses.
- d) "BG" or "bg" means billions of gallons.
- e) "bulk water" means raw water or potable water sold by Sitka to TAB under this Agreement, and delivered by Sitka to TAB in the measured quantities specified in this Agreement.
- f) "deliver" or "to deliver" or "delivered" means the act by Sitka of making a specific quantity of water available to TAB at the point of delivery.
- g) "export" means the transportation by TAB of bulk water to a destination outside the City and Borough of Sitka ~~the hydrologic unit of the Blue Lake drainage.~~
- h) "gallon" means one US gallon or 3.785 liters.
- i) "MG" or "mg" means millions of gallons.
- j) "MGD" means millions of gallons per consecutive 24-hour period.
- k) "per day" means calendar day starting at midnight.
- l) "per week" means during a period of seven (7) consecutive days.
- m) "per year" means during a period of 12 consecutive months.
- n) "point of delivery" means that physical location where the legal possession, ownership, and risk associated with the bulk water which is the subject of this Agreement transfers from Sitka to TAB, as specified in this Agreement.
- o) "raw water" means untreated water delivered by Sitka from Blue Lake via the Blue Lake penstock, a conduit which transports water from Blue Lake to the Blue Lake Powerhouse as shown on Exhibit A.
- p) "rule curve" means the relationship between the elevation of the water surface of Blue

Lake and the volume of water contained in Blue Lake, as it pertains to the reservation of water for fish, wildlife, and habitat protection.

q) "Stage" means a time period in this Agreement that starts 12 months after the effective date of this Agreement; a Stage is composed of one or more 12-month periods, with each 12-month period starting on the anniversary of the day the Stage begins.

r) "Stage Anniversary Date" means the day starting a 12-month period in a Stage.

s) "ton" means one US short ton or 2,000 pounds.

t) "water rights" means those rights to the beneficial use of water which are held by Sitka under certificates of appropriation issued by the State of Alaska pursuant to Alaska law.

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,960 acre-feet of raw water for a period of ~~36~~ 48 months after the effective date of this Agreement. At the conclusion of the ~~48~~ 36-month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the ~~48~~ 36-month period immediately after the effective date of this Agreement, TAB must take delivery of and export at least ~~50~~ 20 million gallons of water. If TAB does not take delivery of and export at least ~~50~~ 20 million gallons of water from Sitka pursuant to this Agreement in the first ~~48~~ 36 months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 ~~48~~ 36 months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Feet Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 <u>122.8</u> af (75mg)	153.4 <u>61.4</u> af (50 <u>20</u> mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 <u>122.8</u> af (75 <u>40</u> -mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be

Stage 1: Stage 1 begins ~~48~~ 36 months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of ~~153.4~~ 61.4 af (~~50~~ 20 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within the said 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

Stage 2: If TAB takes delivery of and exports a total of at least ~~230.2~~ ~~122.8~~ acre-feet (~~75~~ 40 MG) of bulk water in a 12-month period, then the amount of bulk water Sitka will make available for delivery to TAB will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for a 12-month period starting on the Stage Anniversary Date of Stage 2, TAB must have taken delivery of and exported from Sitka at least ~~230.2~~ ~~122.8~~ af (~~75~~ 40 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 2. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 2, TAB reverts to Stage 1 and a new Stage Anniversary Date of Stage 1 is created.

Stage 3: If TAB takes delivery of and exports a total of at least 306.9 acre-feet (100 MG) of bulk water per 12-month period, then the amount of water Sitka will make available for delivery to TAB will be increased to 4,000 acre-feet per year, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 3 for a 12-month period starting on the Stage Anniversary Date of Stage 3, TAB must have taken delivery of and exported from Sitka at least 306.9 af (100 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 3. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 3, TAB reverts to Stage 2 and a new Stage Anniversary Date of Stage 2 is created.

Stage 4: If TAB takes delivery of and exports a total of at least 920.7 acre-feet (300 MG) per 12-month period, then the amount of water Sitka will make available for delivery to TAB will be increased to 10,000 acre-feet per 12-month period, provided at that time that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 4 for a 12-month period starting on the Stage Anniversary Date of Stage 4, TAB must have taken delivery of and exported from Sitka at least 920.7 af (300 MG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 4. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 4, TAB reverts to Stage 3 and a new Stage Anniversary Date of Stage 3 is created.

determined solely by Sitka at that time based on availability.

Stage 5: If TAB takes delivery of and exports a total of 3,068.9 acre feet (1 billion gallons) of water per 12-month period, then TAB may request from Sitka additional bulk water of which the amount will be determined by Sitka at its sole discretion at that time, provided that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 5 for a 12-month period starting on the Stage Anniversary Date of Stage 5. TAB must have taken delivery of and exported from Sitka at least 3,068.9 af (1 BG) within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 5. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 5, TAB reverts to Stage 4 and a new Stage Anniversary Date of Stage 4 is created.

3.3 If TAB fails to take delivery of and export the required minimum quantities specified in Stages 2 through 5 within the time periods specified in those Stages as set out in Subsection 3.2, the respective obligations of Sitka to make water available and of TAB to take delivery of and accept and export shall be reduced to the next lower Stage for the next 12-month period. If TAB meets the minimum performance requirement of that lower Stage within the time period specified, then the next higher Stage shall again become applicable to Sitka's and TAB's respective obligations during the next 12-month period. The date upon which Sitka moves TAB either up or down from stage to stage will start the 12-month time period anew and create a new Stage Anniversary Date, provided at that time that Sitka still has adequate water quantities available and uncommitted for export.

3.4 Notwithstanding any other provision of this Agreement, if water delivered by Sitka to TAB and exported by TAB falls below 20 million gallons during any period of 12 consecutive months, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless within the 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.5 During the first year after the effective date of this Agreement and during periods of any Stage under this Agreement, TAB may take delivery of raw water at a rate no greater than 33.6 MGD.

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

a. By this contract, Sitka is entering into an Agreement to sell raw water in bulk under water rights issued to Sitka by the State of Alaska under water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's contractual obligation to deliver water to TAB in the quantities specified in this Agreement is subject to these limitations:

a) Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to TAB to meet the ~~reasonable~~ requirements of its municipal drinking water and hydroelectric systems, including the planned expansion of its hydroelectric system.

b) Sitka will abide by the 1992 Blue Lake Watershed Control Plan as approved by the U.S. Environmental Protection Agency and described in City and Borough of Sitka Ordinance No. 92-1091.

c) Sitka may temporarily suspend raw water deliveries in bulk in order to perform planned and routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that Sitka shall give not less than 60 days prior notice to TAB of any such planned suspensions.

d) Sitka shall be relieved of its obligation to deliver raw water in bulk to TAB in the event of an interruption in water supply due to Force Majeure, or due to unforeseen circumstances that require repairs to or reconstruction of the municipal drinking water, hydroelectric systems, water delivery system, or other of Sitka's facilities, to the extent that the availability of raw water in bulk for delivery to TAB under this Agreement is adversely affected, and for so long as is required to effect such repairs or reconstruction, for such time as is necessary to address such circumstances.

e) The volumes of Sitka's raw water deliveries in bulk to TAB for export are subject to Sitka's compliance with all conditions contained in Water Appropriation Certificates ADL 43826, LAS 19669, and LAS 20526, including compliance with the rule curve and the support of spawning, incubation, and rearing of certain species of fish in Sawmill Creek and Blue Lake. Interpretation of applicable requirements and the means used to achieve compliance with such requirements shall be in Sitka's sole discretion.

f) In the event Sitka is relieved of its obligation to make agreed quantities of water available to TAB for reasons noted in this paragraph or due to Force Majeure, then TAB's obligation to take delivery of and to export water shall be reduced to the volumes actually delivered by Sitka during that period of time and the time for TAB's performance shall be extended for the same period of time Sitka has been so relieved of its obligation.

4.2 TAB agrees and warrants that the raw water in bulk delivered by Sitka to it for export shall be put to one or more beneficial uses by it or by its water purchasers.

5. Water Distribution.

5.1 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to not sell water for export to other entities for a price less than the price currently charged to TAB for equivalent Blue Lake water without offering the same price to TAB.

~~5.2 Provided that TAB is in compliance with all terms of this agreement Sitka agrees to refer all inquiries from third parties for the purchase of bulk water to TAB. If TAB is unable to come to terms for sale of bulk water to said third parties within 90 days of the referral by Sitka to TAB, Sitka may proceed with direct negotiations with said third party without further obligation to TAB.~~

~~5.3 Notwithstanding any other provision of this Agreement, this Section does not apply to any purchaser of bulk water who has executed a bulk water purchase agreement with Sitka prior to the date of this Agreement, including any assignee of such agreement.~~

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

6.1 Sitka does not warrant the quality or fitness for a particular purpose of any water contracted by it for delivery, and/or actually delivered, to TAB under this Agreement. TAB acknowledges and agrees that before entering into this Agreement, it has examined Sitka's water source, Sitka's methods of diversion, and Sitka's means of delivery to TAB of the quantities of water which are contracted under this Agreement, and that it has found all such items adequate and satisfactory for TAB's purposes.

6.2 TAB acknowledges and agrees that Sitka's planned expansion ~~necessary~~ and routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect TAB's contractual obligations under this Agreement.

6.3 TAB acknowledges and agrees that the quality of water contracted by Sitka to be delivered in bulk to it for export may vary due to natural events over which Sitka has no control, which include, without limitation, rainfall, drought, snowfall, avalanches and landslides, and that the occurrence of such events shall not alter or affect TAB's contractual obligations under this Agreement, except that the quantity of water TAB is obligated to take delivery of and to export shall be reduced to the quantity Sitka can and does make available for delivery to TAB, as a consequence of an occurrence of any of such natural events.

6.4 TAB shall be solely responsible and liable for the quality and usefulness for any particular purpose of all water exported by, transported by, used by, or sold by, or delivered by TAB.

7. Purchase Price For Bulk Water.

7.1 TAB will purchase bulk water for export from Sitka under this Agreement, based upon the following prices: Raw water delivered in bulk to TAB for export shall be priced at U.S. \$0.01 (one cent) per gallon. The purchase price includes Sitka cargo wharfage charges for bulk water delivered to TAB's vessel.

7.2 Raw water delivered by Sitka to TAB for vessel wash-down, washout and any other non-export application shall be priced at US \$0.005 (one-half of a cent) per gallon. Such quantities shall be separately metered, and shall not be included in the total quantities of raw water delivered to TAB for export.

7.3 Beginning July 1, 2016 and every calendar year thereafter, the prices charged by Sitka for water delivered to TAB under this Agreement will be adjusted based on the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers"

(CPI) published the most immediately before January 1 of the calendar year for which prices are being calculated. Notwithstanding the previous sentence, in no event will the CPI adjustment described in the previous sentence exceed + 3.0% nor the adjustment be made if the result of such adjustment would be a decrease in any price charged under this Agreement.

7.4 TAB shall pay Sitka for all volumes of water delivered to TAB as actually measured by flow meters owned, operated, and documented by Sitka at or near the point of delivery. TAB shall pay for each quantity of water loaded no later than fifteen (15) days after the presentation of an invoice by Sitka to TAB for such water. Failure by TAB to make timely payment shall be cause for Sitka to suspend water delivery to TAB.

8. Conditions for Maintaining TAB's Purchase Right and Obligation; Termination.

8.1 Notwithstanding any other provision of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one or more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

8.2 Upon termination, all legal rights and obligations as between Sitka and TAB under this Agreement shall cease, except that TAB's obligations to Sitka under Sections 13, 14, 15, 16, and 17 of this Agreement shall survive termination.

9. Sitka's Permitting Actions.

Sitka agrees to take any and all actions which it determines, in the exercise of its sole discretion, to be reasonable, necessary, and economically feasible to maintain in good standing any permit, license, certificate, allocation, appropriation or other authorization which may authorize Sitka to fulfill its obligations under this Agreement.

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that TAB shall be solely responsible for the costs of acquisition, construction and installation of any structure, facility or vessel which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. All structures and facilities, for construction of all structures and facilities, must comply with all Federal, State, and local law, including zoning requirements, and must be reviewed by SMCIP Board for its recommendation to Assembly, subject to Assembly approval before construction.

10.2 TAB shall pay such port vessel dockage fees established by Sitka. Sitka does not warrant the quality or fitness for a particular purpose of any dock or wharf at such waterfront, and TAB must determine the feasibility of any particular use before engaging in such use.

10.3 TAB shall be solely responsible for the transportation of all water delivered to it by Sitka for export.

10.4 No later than 30 days before the first delivery of water takes place under this Agreement, TAB will designate in a writing to Sitka's Municipal Administrator a local representative as TAB's continuing personal contact with Sitka and its subordinate departments, agencies and authorities.

10.5 Sitka's point of delivery of bulk water to TAB shall be that physical location where the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to TAB, terminates, ~~and which is the location where the remaining physical facilities and equipment employed in the transportation of such water are facilities owned by others.~~ Sitka's flow meter which is used to calculate the quantities of water delivered to TAB shall be located near the point of delivery.

10.6 Sitka shall retain the right to ~~pay for, install,~~ own, and operate a raw water delivery pipeline that serves the Sawmill Cove Industrial Park, if Sitka so desires. In such event, Sitka may require TAB to use Sitka's facilities and may change the point of delivery to the point at which Sitka's ~~new~~ facilities end. Unless and until Sitka shall deliver such new facilities TAB shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of bulk water from the point of delivery established by Sitka.

11. Ballast Water and Wash Water Discharges.

11.1 TAB shall comply with all provisions of law applicable to its obligations under this Agreement. TAB shall comply with all applicable international, federal, state, and local requirements regarding the discharge of any ballast water (including bilge water) or any wastes at all times and as to all vessels traveling to and from Silver Bay and/or Sawmill Cove for the purpose of receiving any water to be delivered to TAB by Sitka under this Agreement. Such requirements described in this Section include but are not limited to those in Section IV of the Sawmill Cove Management Plan, which is included in Appendix B.

11.2 TAB shall comply with all applicable federal, state and local requirements regarding the use and disposal of any raw or treated water delivered to TAB by Sitka for the purposes of vessel wash-down or washout, or any other non-export application.

12. Water Loading Plan Requirements.

12.1 Before TAB loads any bulk water delivered to it by Sitka, TAB shall submit to Sitka a written Water Loading Plan. This Plan shall be deemed approved by Sitka unless no later than seven days after the submission the Municipal Administrator of Sitka in his or her sole discretion rejects—or requires TAB to resubmit—any portion of the Plan in a writing to TAB that states the deficiency. Sitka shall deliver no bulk water to TAB and TAB shall not load any bulk water delivered to it by Sitka as long as any portion of the Plan has been rejected and not deemed approved after re-submittal. TAB shall submit a separate Water Loading Plan at least ten (10) days before each loading of bulk water under this Agreement.

12.2 The Water Loading Plans required by this section shall address environmental and logistical considerations related to the loading of water. The issues and items to be addressed in each Water Loading Plan shall include, without limitation, each of the following:

- a) details concerning any vessel to be used by TAB in the loading or transport of bulk water;
- b) steps to be taken to insure the safety of persons involved in the loading of bulk water;
- c) steps to be taken to insure safety of the public before, during, and after loading of water;
- d) steps to be taken to address the effects of wind and tidal conditions on the loading;
- e) steps to be taken concerning moorage and access to vessels during loading;
- f) steps to assure communication before, during, and after loading between those loading and Sitka representatives;
- g) details about the precise location and proposed use of any structure, facility, pipe, pipeline, or other infrastructure to be used in the loading of water and details of how TAB intends to address the risks associated with a catastrophic event arising from TAB's loading activities or TAB's failure to adhere to the proposed Water Loading Plan;
- h) steps to be taken to avoid conflicts with other vessel traffic and industrial park users;
- i) details on proposed handling of any ballast water in any vessel to be used in the loading of water;
- j) details on proposed handling of any residual and/or wash water, or other materials in the tanks of any vessel to be used in the loading;
- k) the days and the periods of time within each day that water is proposed to be loaded; and
- l) details on consistency between the proposed Water Loading Plan and Appendix B, which includes the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property)." Such details on such consistency must include any and all specific steps to be taken to avoid anchoring in prohibited areas and disturbance of the sea bottom in the "No Disturbance" zone described in the last-referenced document.

12.3 TAB shall comply with all provisions of each Water Loading Plan after all of such provisions have been deemed approved either upon submittal or re-submittal under Subsection 12.1 above. as to the water loading operation for which the Water Loading Plan was submitted.

12.4 Approval by Sitka of any Water Loading Plan shall not be deemed to have imposed upon Sitka the status of guarantor of the feasibility, propriety, or safety of any aspect of an approved Water Loading Plan, nor shall such approval be deemed to have created or conferred benefits on any third party.

13. Indemnification of Sitka.

Notwithstanding anything to the contrary in this Agreement, TAB shall defend, indemnify, and hold Sitka harmless from any claim, demand, action, or proceeding of any kind or nature, based upon, arising out of, or related to:

- a. any defect or flaw in the quality of water supplied under this agreement;
- b. any delays on the part of Sitka in the delivery of water under this agreement as the result of the mechanical or physical breakdown of equipment or facilities owned or operated by the Sitka;
- c. claims arising from the transportation or shipment of water after such water has left Sitka's water delivery system and as such has passed the point of delivery;
- d. injuries to employees of TAB or any of its contractors;
- e. damages resulting from accidents involving mooring, unmooring, navigation of vessels, or cargo loading operations, including but not limited to claims for personal injury, property damage, and pollution.

TAB shall at all times during this Agreement maintain insurance policies providing umbrella coverage against matters including but not limited to those discussed in this agreement in an amount not less than U.S. \$5,000,000, with the City and Borough of Sitka named as an additional insured, and with a waiver of subrogation against Sitka. TAB shall be responsible for ensuring that each of its contractors complies with this term. TAB shall deliver reasonable evidence of TAB's compliance with this term to Sitka. TAB shall assure that any contractor for TAB who is to perform any task or work within the territorial jurisdiction of Sitka has insurance appropriate to any task to be performed by that contractor, and TAB shall be responsible for delivering reasonable evidence of such insurance to Sitka.

TAB will ensure that its customers take full responsibility for water product quality that they receive subsequent to TAB's on-site Quality Control laboratory tests. TAB's Quality control staff shall securely store a reasonable quantity of water sampled from each bulk water shipment for 24 months for re-analysis, if required.

14. Assignment.

This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

~~TAB may assign this Agreement on a one-time basis to Langenberg Research LLC 3590 W. Third St, Eugene, Oregon 97402 if, at the time of assignment, Langenberg Research LLC can demonstrate it is financially capable of performing the requirements of this Agreement to the satisfaction of Sitka.~~

~~Langenberg Research shall be bound by all the terms and requirements of this Agreement.~~

~~Langenberg Research shall not be authorized to assign this Agreement to any third party without prior written consent of Sitka.~~

Sitka may form a Port Authority or similar entity, in the future and this agreement shall be completely transferable to said Port Authority. A transfer of the agreement to any such entity shall not create any restrictions upon TAB to purchase water other than those restrictions named in this agreement.

15. Waiver and Integration.

This Agreement integrates the entire Agreement between the parties regarding the sale and purchase of water in bulk. This Agreement supersedes all previous agreements, discussions, and negotiations, whether written or oral. Each party specifically acknowledges and represents that it has had ample opportunity to consult with legal counsel regarding this Agreement, and that any rule that an agreement should be construed against its drafter shall not apply to this Agreement.

16. Force Majeure.

Neither party shall be in breach of this Agreement as the result of any failure or delay in performing any of the obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by storm, flood, avalanche, landslide, earthquake, tsunami, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, or act of God. Sitka shall not be in breach of this Agreement as the result of any failure or delay in performing any of its obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by any order of any United States court of competent jurisdiction, or by any act, rule, regulation, order or directive of any superior governmental unit or any agency thereof, or by any termination, modification, suspension, or revocation of any permit, license, allocation, appropriation, or certificate held by Sitka. In the event Sitka or TAB is relieved of an obligation under this Agreement due to Force Majeure, time frames under this Agreement shall be adjusted accordingly. The party asserting a Force Majeure event must demonstrate direct and proximate cause by clear and convincing evidence.

17. Applicable Law.

Any action or lawsuit brought to construe, interpret, or enforce this Agreement shall be brought in the superior court of the State of Alaska in Sitka, Alaska. Venue for any such action or lawsuit shall lie exclusively in Sitka, Alaska. The parties specifically disavow any application under the removal jurisdiction of the federal courts on grounds of diversity of citizenship, in any litigation concerning this Agreement.

18. Effective Date.

This Agreement is effective as of the last date signed below, which shall be deemed the "effective date" for the purpose of any time period which incorporates that term in this Agreement.

19. Authority.

The parties represent and warrant to each other that they have the full, complete, and absolute authority to enter into this Agreement; that this Agreement has been duly authorized by the governing body of each party; that the person executing this Agreement on its behalf has the full power and authority to do so; and that this Agreement is binding and enforceable against it in accordance with its terms. TAB acknowledges that this Agreement is only effective as against Sitka if the City and Borough of Sitka Assembly votes to authorize the Municipal Administrator to execute this Agreement on behalf of Sitka, and the Municipal Administrator of Sitka represents and warrants by affixing his signature to this Agreement that the Assembly has so voted.

20. Amendment and Severability.

This Agreement may not be amended except by written agreement of both parties. If any provision of this Agreement or any application thereof to any person, entity, or circumstance is held invalid, the remainder of this Agreement and application thereof to any person, entity, or circumstances shall not be affected thereby.

21. Time of Essence.

Time is of the essence in this Agreement.

**AMENDMENT NO. 3 TO
TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

WHEREAS, the City and Borough of Sitka ("Sitka") and True Alaska Bottling Company ("TAB") entered into the "True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export" ("Agreement"), on December 7, 2006;

WHEREAS, Sitka and TAB agreed to amend the Agreement as set out in the Amendment No. 1 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 1");

WHEREAS, Sitka and TAB agreed to further amend the Agreement as set out in the Amendment No. 2 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 2");

WHEREAS, Sitka and TAB agree to further amend the Agreement as set out in this Amendment No. 3 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 3");

WHEREAS, this Amendment No. 3 extends TAB deadlines by two additional years at Sections 3.1 and 3.2, contingent upon TAB agreeing to the following conditions, which were required and approved by the CBS Assembly at its Regular Meeting on January 25, 2011:

1. Sitka receives a non-refundable payment of \$150,000 in two installments of \$75,000 from TAB to be applied towards export water payments owed to Sitka during the two-year term of this Amendment No. 3;
2. Amendment No. 3 will take effect only upon receipt of the first \$75,000 installment, received no later than February 26, 2011;
3. To keep the Agreement in effect, the second installment of \$75,000 is owed no later than February 26, 2012.
4. If no water export occurs within the two-year term of this Amendment No. 3, in accordance with the Agreement at Article 3.1 and 3.2, both payments shall be retained by Sitka unencumbered; and

NOW, THEREFORE, Sitka and TAB, based on TAB agreeing and fulfilling all conditions required by the City and Borough of Sitka Assembly set out above, agree to Amendment No. 3, which includes amending the Agreement as follows and as authorized pursuant to Section 20 of the Agreement (new language underline; deleted language stricken):

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,972 acre-feet of raw water for a period of ~~72~~ 48 months after the effective date of this Agreement. At the conclusion of the ~~72~~ 48 -month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the ~~72~~ 48 -month period immediately

after the effective date of this Agreement, TAB must take delivery of and export at least 50 million gallons of water. If TAB does not take delivery of and export at least 50 million gallons of water from Sitka pursuant to this Agreement in the first ~~72~~⁴⁸ months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 ~~72~~⁴⁸ months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 af (75mg)	153.4 af (50 mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 af (75 mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

Stage 1: Stage 1 begins ~~72~~⁴⁸ months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within the 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

* * *

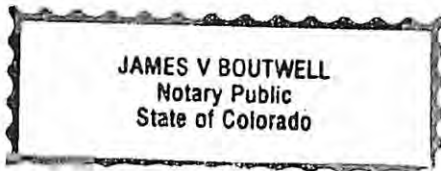
¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

TRUE ALASKA BOTTLING COMPANY

Terrence J. Trapp
CEO (title)

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

THIS CERTIFIES that on this 9TH day of FEB, 2011, TERRENCE TRAPP, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of TRUE ALASKA BOTTLING COMPANY, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.



James V Boutwell
Notary Public by and for JAMES V BOUTWELL
My Commission Expires: 9/28/2014

THE CITY AND BOROUGH OF SITKA

James E. Dinley
JAMES E. DINLEY, Municipal Administrator

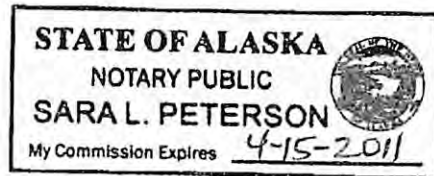
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 15 day of February, 2011, James Dinley signed this document, and by signing affirms that he is the MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, and executes the document freely and voluntarily.

Sara L Peterson
Notary Public for Alaska
My Commission Expires: 4-15-2011

ATTEST:

Serena Wild
Sara Peterson Serena Wild
Acting Municipal Clerk
Assistant



**AMENDMENT NO. 4 TO
TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

WHEREAS, the City and Borough of Sitka (“Sitka”) and True Alaska Bottling Company (“TAB”) entered into the “True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export” (“Agreement”), on December 7, 2006;

WHEREAS, Sitka and TAB agreed to amend the Agreement as set out in the Amendment No. 1 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export (“Amendment No. 1”);

WHEREAS, Sitka and TAB agreed to further amend the Agreement as set out in the Amendment No. 2 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export (“Amendment No. 2”);

WHEREAS, Sitka and TAB agreed to further amend the Agreement as set out in this Amendment No. 3 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export (“Amendment No. 3”);

WHEREAS, Sitka and TAB agree to further amend the Agreement as set out in this Amendment No. 4 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export (“Amendment No. 4”);

WHEREAS, this Amendment No. 4 extends TAB deadlines by three additional years at Sections 3.1 and 3.2, contingent upon the following conditions, which were required and approved by Sitka Assembly at its Regular Meeting on November 27, 2012:

1. Sitka receives a non-refundable payment of \$1,000,000 from TAB to be applied towards export water payments owed to Sitka during the three-year term of this Amendment No. 4. Sitka shall retain any interest earned from this non-refundable payment;
2. Amendment No. 4 will take effect only upon receipt of the \$1,000,000, received no later than December 8, 2012;
3. Prior non-refundable payments of \$350,000 made by TAB to Sitka based on this Agreement will be applied towards export of water payments within the three-year term of this Amendment No.4; and
4. If water export does not occur within the three-year term of this Amendment No. 4 in accordance with the Agreement at Article 3.1 and 3.2, all prior payments as listed including the \$1,000,000 payment made under Amendment No. 4 shall be retained by Sitka unencumbered.

NOW, THEREFORE, Sitka and TAB, based on the conditions required above, agree to Amendment No. 4, which includes amending the Agreement as follows and as authorized pursuant to Section 20 of the Agreement (new language underline; deleted language stricken):

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 27,773 ~~8,972~~ acre-feet of raw water for a period of 108 ~~72~~ months after the effective date of this Agreement. At the conclusion of the 108 ~~72~~-month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the 108 ~~72~~ -month period immediately after the effective date of this Agreement, TAB must take delivery of and export at least 50 million gallons of water. If TAB does not take delivery of and export at least 50 million gallons of water from Sitka pursuant to this Agreement in the first 108 ~~72~~ months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 108 ~~72~~ months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 af (75mg)	153.4 af (50 mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 af (75 mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

Stage 1: Stage 1 begins 108 ~~72~~ months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within the 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

5. Water Distribution

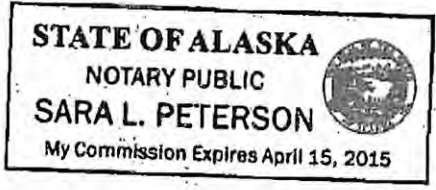
5.2 Sitka will not enter into any agreement to sell water in bulk with the remaining 1,462 acre-feet of its bulk water allocation. Any sales of the remaining bulk water allocation will be limited to export in containers of a 20' container van or smaller. Sale of water bottled in City and Borough of Sitka is not subject to this restriction.

TRUE ALASKA BOTTLING COMPANY

Terrence Trapp
CEO - TAB (title)

STATE OF ALASKA)
) ss.
COUNTY OF NA)

THIS CERTIFIES that on this 28 day of November, 2012, Terrence Trapp, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of TRUE ALASKA BOTTLING COMPANY, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.

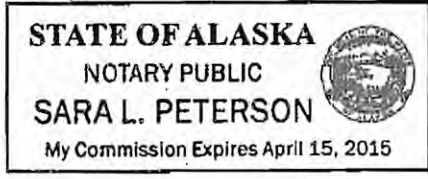


Sara L Peterson
Notary Public by and for City & Borough of Sitka
My Commission Expires: 4-15-2015

THE CITY AND BOROUGH OF SITKA
James E Dinley
JAMES E. DINLEY, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 28 day of November, 2012, James Dinley signed this document, and by signing affirms that he is the MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, and executes the document freely and voluntarily.



Sara L Peterson
Notary Public for Alaska
My Commission Expires: 4-15-2015

**AMENDMENT NO. 5 TO
ALASKA BULK WATER, INC.
FOR RAW WATER IN BULK FOR EXPORT**

The City and Borough of Sitka (hereinafter "Sitka") and Alaska Bulk Water Company, Inc. (hereinafter "ABWI"), the successor in interest to True Alaska Bottling Company, collectively referred to as "the Parties," agree to this Amendment No. 5 to the October 10, 2006 "True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export" (hereinafter "the Agreement"), which is entered into as of this ___ day of July 2015 pursuant to the terms and conditions set forth herein.

WHEREAS, the Parties have amended the Agreement on four previous times and agree to amend it further by Amendment No.5 as set forth herein;

WHEREAS Amendment No.5 is necessary to ratify and set the terms and conditions for use and removal of a pipeline and other facilities for loading water constructed by ABWI pursuant to Paragraph 10.1 of the Agreement without the necessary authorizations from Sitka; and

WHEREAS a license from Sitka is needed to grant ABWI authority during the term of this Agreement to use the pipeline and other facilities for loading water which ABWI has constructed over Sitka's property.

NOW THEREFORE In consideration of the premises and the mutual agreements herein contained and for other good and valuable consideration, the parties hereto hereby agree to Amend the Agreement (new language underlined; deleted language bracketed) as provided by Paragraph 20 as follows:

- 10.1 The parties agree that ABWI shall be solely responsible for the cost of acquisition, construction, and installation of any structure, facility or vessel which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing any such acquisition, construction and installation. All structures and facilities and all structures and facilities constructed pursuant to this paragraph, must comply with all federal, state and local law, including zoning requirements. [and must be reviewed by SMCIP Board for its recommendation to Assembly, subject to assembly approval before construction.]

- 10.7 Sitka hereby grants a license to ABWI to use the pipeline and other facilities for loading water which ABWI has constructed over a portion of Block 4, Lot 9A consisting of approximately 1,875 square feet as pictorially depicted on Exhibit A in accordance with the following terms and conditions:
 - a. In order to bring itself into compliance with paragraph 10.1, within 30 days of the execution of this amendment ABWI shall apply for and diligently pursue

approval of all of the permits and authorizations required by this Agreement to construct and operate the pipeline and other facilities for loading bulk water which it has already constructed within the license area shown on Exhibit A.

- b. The license granted herein is revocable at Sitka's sole discretion, is not assignable, and shall terminate upon the earlier of completion of the work described in subparagraphs c. and d. or termination of this Agreement.
- c. ABWI shall completely remove the pipeline and other facilities for loading bulk water, which it has constructed within the license area as depicted on exhibit A, within 6 months of the termination of this Agreement. Any such materials not removed from the license area within 6 months shall be deemed abandoned and become Sitka's property at Sitka's option.
- d. ABWI shall completely restore the license area as depicted on exhibit A to its original, preconstruction condition to Sitka's sole satisfaction within 6 months of the termination of this Agreement. Should ABWI failed to restore the license area to Sitka's satisfaction, Sitka may contract with third parties to perform the work and ABWI shall pay Sitka for all costs of restoration required to restore the license area to Sitka's satisfaction.
- e. Should ABWI fail to complete the work described in subparagraphs c. and d. above by the fifth month after termination, it shall provide Sitka a written report describing the work that remains to be done and ABWI's plan for completing that work within the next 30 days.

Nothing in this Amendment No.5 supersedes, voids, or modifies this Agreement except as provided in this Amendment No.5.

ALASKA BULK WATER, INC. AND

CITY AND BOROUGH OF SITKA

Terrence Trapp, CEO

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2015, Terrence Trapp of Alaska Bulk Water, Inc., whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement on behalf of Alaska Bulk Water, Inc. and affirms by signing this document to be authorized to sign on behalf of Alaska Bulk Water, Inc. and does so freely and voluntarily.

Notary Public for Alaska

My Commission Expires: _____

STATE OF ALASKA)
) ss
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2015, MARK GORMAN, MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.

Notary Public for Alaska

My Commission Expires: _____

**Gary Paxton Industrial Park
Board of Directors Meeting
September 24, 2015 - 3:00 PM
Minutes (not yet approved)**

A. CALL TO ORDER: The Chair called the meeting to order at 3:02pm.

B. ROLL CALL

Members Present: Grant Miller, Dan Jones, Scott Wagner, Charles Horan, Ptarmica McConnell
Members Absent: None

City Representatives: Mark Gorman, Jay Sweeney, Mark Buggins, Brian Bertacchi, Dan Tadic, Steven Eisenbeisz

Others Present: Garry White, Linda Wilson
Tom Hesse (Sitka Sentinel), Terry Trapp (via phone – ABWI), Trevor Harang, Roger Sudnickovich

C. REVIEW OF MINUTES – August 4, 2015

MOTION: M/S McConnell/Wagner moved to approve the minutes of August 4, 2015.

ACTION: Motion PASSED 5/0 on a voice vote.

D. CORRESPONDENCE AND OTHER INFORMATION

Invitation to attend the Sitka Seafood Innovation Summit on October 1st.

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

Mr. Gorman advised the Board that an ordinance will be presented to the Assembly to authorize the Municipal Administrator to approve expenditures of up to \$50k from the Raw Water Fee Fund. This should make it easier to get reimbursement for related expenses from this fund.

F. REPORTS

1. GPIP Management Report

Mr. White reported:

- The port planning feasibility study was closed last year, however there is still money for additional feasibility and/or planning studies.
- R&M Engineering Ketchikan has been contracted to do a conditional/feasibility assessment of the floating pontoon and has had a chance to examine the structure. The pontoon is in better condition than expected. R&M will provide a list of potential users/uses based on the pontoon's load capacity in early December. The pontoon is 952' in length.
- The Park Director met with some representatives of a bulk water company from Iceland in August. The Director advised them that their pricing is unrealistically low based on the costs for the infrastructure required and the costs for shipping the water. Sitka and ABWI is very far ahead of this other company.
- There is still interest for water bottling plants and this is likely to continue as the Chinese are buying up water rights in British Columbia.
- An RFP for the development/sale of Lots 16B, 19 and 20 is being finalized and should be released tomorrow.
- The EDA has said that they will be releasing the Administration from the grant covenants as of October 6, 2015. Waiting on formal documents.

Mr. Bertacchi advised the Board that he is working on potential solutions for removing the approximately 68k cubic yards of rock from the Blue Lake dam expansion project that is currently covering much of the Park.

Ideally the rock will be used to fill areas along the shoreline and in the Park tidelands to create much needed additional uplands for marine and water export commerce.

G. PERSONS TO BE HEARD (none)

H. UNFINISHED BUSINESS

1. Silver Bay Seafoods Lease/Purchase Request

Mr. White reported that representatives from Silver Bay Seafoods (SBS) were not able to attend this meeting and advised that SBS wishes to table its proposal until there is significant development regarding the placement and type of dock that is going to be built. SBS is still interested in development at the Park, but this will be related to the dock.

NO ACTION REQUIRED FROM THE BOARD AS THIS ITEM WAS TABLED AT A PREVIOUS MEETING.

2. Strategic Planning – Maritime Industry Site Information

Mr. White reviewed three conceptual options for the utilization of remaining space along the waterfront and noted that an additional 1 to 1.5 acres of uplands may be created by filling a portion of the tidelands with the rock from the dam project. He advised that space will be tight, but that both a marshalling yard and marine service center yard could be accommodated with careful planning. The creation of additional uplands would be very beneficial to both ventures, including the water export business.

MOTION: Horan/Jones moved to request that the Assembly endorse the concept of prioritizing the use of approximately 68k cubic yards of excess rock from the Blue Lake dam expansion project, currently stored on property of the Gary Paxton Industrial Park, for the purpose of expanding the uplands of the Park for marine related activities including a marshalling area for a dock, marine services center yard, and marine access and to direct the Electric Department to pursue the necessary permits required to place this rock in areas along the shoreline and within the tidelands of the Gary Paxton Industrial Park.

ACTION: Motion passed 5/0 on a roll call vote:

Yeas: Dan Jones, Charles Horan, Scott Wagner, Ptarmica McConnell, Grant Miller

Nays: none

Absent:

I. NEW BUSINESS

1. Municipal Records Center Lease Termination

Mr. White advised the Board that the 10-year Municipal Records Center lease is due to terminate in November of 2016, but the CBS would like to terminate the lease early due to damage to the windows of the lease area caused by the landslide. There is also a pending sale of the building to Silver Bay Seafoods, and current tenants were advised that their leases could be terminated early when the building is sold.

Ms. McConnell recused herself from this agenda item.

MOTION: Jones/Wagner moved to recommend that the Assembly approve early termination of the Municipal Records Center lease.

ACTION: ACTION: Motion passed 4/0 on a roll call vote:

Yeas: Dan Jones, Charles Horan, Scott Wagner, Grant Miller

Nays: none

Recused: Ptarmica McConnell

2. ABWI Bulk Water Purchase Agreement Extension

Mr. Trapp requested that ABWI be granted a three-year extension of their bulk water agreement based on the following progress and ABWI investments, including:

- Ten agents working on sales and marketing the water with activity in Mexico, China, the Middle East and South America.
- A large contract with a customer in the Middle East is pending. This customer states that they have the infrastructure in place to offload water now.
- ABWI has met with representatives of all the water districts in California. There has been discussion on the potential for developing a water depot in both Northern and Southern California.
- In October, ABWI will be making a presentation to congress regarding water export to California.
- ABWI has also been working with the US Trade Department to develop new export codes for each country that could be receiving bulk water shipments.
- ABWI now has a corporate office in Seattle and has hired both a professional accounting and legal firms.
- ABWI has spent \$1.5 million to build the loading station at the Park.
- ABWI is now focusing on helping their customers develop the offloading infrastructure they need to receive the water and to secure vessels capable of transporting the water.
- Customers are lining up nicely, however, in order to enter into long-term contracts, these customers need to know that ABWI will continue to hold the rights to this water for at least several years. Potential customers will be making significant investments of their own, and the extension of ABWI's bulk water agreement is vital to securing contracts.

Board discussion included:

- The ABWI submitted a request to purchase Park property at the meeting of June 25, 2015. This request was tabled by the Board pending the outcome of negotiations regarding Silver Bay Seafoods request to purchase property.
- Mr. Jones expressed his support for establishing a tariff schedule for all of the remaining unsold property along the waterfront.
- A counter-offer of a two-year extension was considered, but not pursued.

MOTION: Jones/Wagner moved to request that the Assembly approve amendment number 6 to the bulk water purchase agreement with Alaska Bulk Water, Inc. (ABWI) to extend the agreement by 3-years based on the following criteria:

1. That the agreement is extended for a term of 3-years to December 8, 2018; and
2. That ABWI shall make a non-refundable payment of \$1,000,000 dollars to the City and Borough of Sitka (CBS) no later than December 8, 2015; and
3. That the \$1,000,000 dollars paid to the CBS shall be held as pre-purchased water credits and shall be retained by the City, unencumbered, if no water is exported during the 36-months of this extension; and
4. That the \$1,350,000 dollars paid to the City under previous agreements be carried forward as pre-purchased water credits for the duration of this extension; and
5. That ABWI provide, at no cost to the CBS, copies of the bathymetric studies done for the tidelands of the Gary Paxton Industrial Park; and
6. ABWI agrees that this Amendment No. 6 to the bulk water purchase agreement include a reduction in the guaranteed amount of water from 27,773 acre-feet per year to 27,007 acre-feet per year; and
7. CBS agrees that if any of the remaining 2,228 acre-feet of the CBS bulk water allocation held aside for proposed water bottling operations is not allocated contractually to another entity, ABWI will have the opportunity to export any or all of this water in bulk.

ACTION: Motion passed 5/0 on a roll call vote:

Yeas: Dan Jones, Charles Horan, Scott Wagner, Ptarmica McConnell, Grant Miller

Nays: none

Absent:

J. ADJOURNMENT: MOTION: M/S McConnell/Horan moved to adjourn the meeting at 4:18pm.



Legislation Details

File #: 15-211 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 10/21/2015 In control: City and Borough Assembly
On agenda: 10/27/2015 Final action:
Title: Approve a total authorized budget of \$1,500,000 for all costs related to the disaster declaration work and authorize the Administrator to award all bids and execute all contracts necessary to complete the remaining disaster remediation work with a total not to exceed budget of \$1,500,000

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION


I MOVE to approve a total authorized budget of \$1,500,000 for all costs related to the disaster declaration work and authorize the Municipal Administrator to award all bids and execute all contracts necessary to complete the remaining disaster remediation work with a total not to exceed budget of \$1,500,000.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Municipal Administrator 

cc: Michael Harmon, P.E. Public Works Director
Jay Sweeney, Finance Director

Date: October 21, 2015

Subject: Authorization to Award Disaster Relief Projects

Background:

The State has completed their review of our accounting, bids, and overall paperwork related to the August 18th disaster work and declaration to fund these expenses. The total estimated cost for the past and future work is approximately \$1.5-million with a total State authorized budget of \$1-million. The State representatives will be working with us to authorize a budget increase to cover the total cost and have indicated that these are commonly approved. Additionally, the State has approved us to move forward with putting the additional work out to bid.

Analysis:

Following the State's program will generate several required contracts and procurement approvals for the various categories of work. Time is of the essence and the CBS needs to position itself to be efficient and expeditious in completing this work. For this reason, it is important for the Administrator to have the authority to award all necessary bids and contracts to ensure there is no further delay to these much needed repairs and debris removal work.

Fiscal Note:

The Assembly has authorized a CBS budget of \$1-million and the State declaration budget is an additional \$1-million. The State will be pursuing a budget increase to approximately \$1.5-million to match the current estimated total cost. It is important to note that these projects need to be completed regardless of the State's ability to increase their total budget.

Recommendation:

- Approve a total authorized budget of \$1,500,000 for all costs related to the disaster declaration work.
- Authorize the Administrator to award all bids and execute all contracts necessary to complete the remaining disaster remediation work with a total not to exceed budget of \$1,500,000.



Legislation Details

File #: 15-210 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/21/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Award a contract to Alaska Pacific Environmental Services (APES) for all aspects of the Solid Waste Management Services and authorize the Municipal Administrator to execute a contract with Alaska Pacific Environmental Services

Sponsors:

Indexes:

Code sections:

Attachments: [Solid Waste Management Services](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE to award a contract to Alaska Pacific Environmental Services (APES) for all aspects of the Solid Waste Management Services and authorize the Municipal Administrator to execute a contract with Alaska Pacific Environmental Services.



City and Borough of Sitka

PUBLIC WORKS

100 LINCOLN STREET • SITKA, ALASKA 99835
PHONE (907) 747-1804 • FAX (907) 747-3158

To: Mayor McConnell and Assembly Members
Mark Gorman, Municipal Administrator

From: Jay Sweeney, Finance Director *JS*
Michael Harmon, Public Works Director *MH*
Gary E. Baugher Jr., Maint. & Operations Supt.

cc: Robin Koutchak, Municipal Attorney

Date: October 13, 2015

Subject: Approval of Municipal Solid Waste Services Contract

Background

The City and Borough of Sitka contracts with private business contractors to perform municipal solid waste (MSW) collection, disposal services, and recycled materials processing. The existing contract has ended and the Municipality must award a new contract. The bidders were requested to provide our current service level with an additive alternate to include a curbside commingled recycling program.

The Public Works Department advertised for Qualifications (RFQ) for Solid Waste Management Services in accordance with the City and Borough of Sitka (CBS) procurement and bidding policies. This RFQ sought qualified contractors to provide solid waste services to include collection of refuse and recyclables, solid waste transfer, baling of recyclable materials (either source-separated or commingled), transport of waste and recyclables off-island, waste disposal, and processing/marketing of commingled recyclable materials. Bids were opened for this project April 17, 2015. Two responsive and responsible bids were received as indicated in the following list:

BIDDERS
Alaska Pacific Waste Services (APES)
Alaska Waste

Analysis

The Solid Waste Advisory Committee (SWAC) met on September 30th, 2015. The following motions were approved unanimously by the SWAC:

- Motion one: to award the contract to Alaska Pacific Waste Services;
- Motion two: to award the Solid Waste Management Services contract with the proposed rate structure without commingled recycling.
- Motion three: to maintain the transfer station operation of six days a week (current system) and keep the 200# free disposal for the residential customers.

Based on the proposed contract rates, it is clear that consumer rates will need to increase by 21.3% to cover the cost of service. For this reason, the SWAC unanimously voted not to include

the curbside commingled portion of the contract with additional cost increases (an additional \$10.94 per customer per month) for the services.

The term of the Contract shall commence on **October 15, 2015** and end at the end of the day **October 16, 2025**. With mutual consent, the CBS has the option at the end of the (7) seventh year to consider extending the initial (10) ten year term for an additional (5) years. The maximum term of this Contract will be (15) fifteen years. The CBS will have the option to add curbside commingled recycling within the first (5) five years of the contract. If the CBS chooses to implement curbside commingled recycling the commingled rates proposed by APES will include an annual CPI adjustment.

Fiscal Note

Costs in the proposal submitted by APES, while most responsive, still represent a substantial increase over existing contract charges. For example, the cost of transfer station operations will increase by \$7.32/ton, or 22.7%. The cost of off-island transportation will increase by \$17.43/ton, or 15.0%.

In addition, the Solid Waste Disposal Fund has essentially been generating no accretive cash flow. Cash flow from operations has barely been enough to pay for debt service. As a result, cash in the fund is not growing.

Accordingly, award of a new contract to APES makes an increase in solid waste user fees essential. If the contract is awarded without a follow-on increase in solid waste user fees, which will be in the range of a 20% increase, the solid waste disposal fund will rapidly deplete its available undesignated working capital, which is approximately \$350K. Not awarding a contract is not an option as it will result in MSW not being collected.

A related note is that the last time solid waste user fees were raised was in 2005. Ten years have passed without a user fee increase; costs of operations now make a fee increase imperative.

Recommendation:

Award a contract to Alaska Pacific Environmental Services (APES) for all aspects of the Solid Waste Management Services, and authorize the Administrator to execute a contract with Alaska Pacific Environmental Services.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer

Date: October 21, 2015

Re: Necessity for Awarding Solid Waste Disposal Contract Prior To Introduction of Ordinance Increasing Solid Waste User Fees

On October 27th, the Assembly of the City and Borough of Sitka will be asked to accept a proposal for solid waste disposal services, vote to award a contract for such services, and direct the Administrator to develop and execute the written contract form for the services.

In order to pay for the costs associated with the new contract, the City and Borough of Sitka (CBS) must raise solid waste user fees, which is accomplished by ordinance. The reason fees must be raised is that solid waste costs under the new multi-year contract will rise substantially. As the fiscal note in the contract memorandum, states, some component costs associated with the new contract are increasing over 20%.

Why bring a contract award request forward before raising user fees? The answer is that the current contract has expired and the CBS is operating under a month-to-month extension, cancellable by either party with notice. To ensure continued solid waste disposal service, it is important to act now to award the contract.

The solid waste utility has enough working capital to operate under a new contractual cost structure for several months, thus providing time to prepare and vet an ordinance proposing an increase in solid waste user fees. Eventually, however, solid waste user fees must be raised or all of the working capital in the solid waste utility will be expended.

REFERENCE MATERIAL
FROM THE
SOLID WASTE ADVISORY COMMITTEE
(SWAC)



Summary of the current and proposed Municipal Solid Waste and Recycle Programs City and Borough of Sitka

The City and Borough of Sitka (CBS) advertised a Request for Proposals (RFP) for Solid Waste Management Services. This resulted in two contractors, Alaska Pacific Environmental Service (APES) and Alaska Waste submitting their proposals. APES' proposal provides the most reasonable costs to the CBS.

Below is a summary of CBS' current and proposed operations for the MSW and Recycle materials.

Current Contract

Municipal Solid Waste (MSW)

MSW is collected by truck, transported to the transfer station and loaded into containers. The containers are taken to Alaska Marine Lines (AML) where they are shipped to Seattle. In Seattle, the containers travel to the Roosevelt Landfill in western Washington by rail.

The transfer station is open six days a week and every residence can take 200 pounds of solid waste to the transfer station for free. This is a cost that is paid by the City and Borough of Sitka (CBS) and made up in the billing of residents.

Sawmill Creek Road Recycle Center

Recycle materials are taken by the residents/businesses to the Recycle Drop off Center on Sawmill Creek Road. That material is then trucked to the scrapyards bailing site located at the Gary Paxton Industrial Park. After it is baled, it is shipped out in 40-foot containers to a Material Recovery Facility (MRF) station in Seattle. At that point it is separated, and then a value (credit) is given for the commodity. The credit is subtracted from the Republic invoice for transportation and disposal of recycling material.

Scrap Yard

Scrap metal and vehicles is collected at the Gary Paxton Industrial Park and shipped to Seattle via AML barge. The contractor receives half of the value (credit) given for the commodity and CBS receives the other half. The contractor pays for all operations and costs for operating the Scrap Yard.



Summary of the current and proposed Municipal Solid Waste and Recycle Programs City and Borough of Sitka

Proposed Contract Changes

Municipal Solid Waste (MSW) – VOTED DOWN BY THE SWAC

- The contractor is proposing that the transfer station be open to the public for three days a week, Thursday – Saturday, instead of six days. (Customer rate reduction of \$.02 per pound)
- The contractor is proposing doing away with the 200 pounds of free waste every month for residential customers. Every pound not charged is subsidized by the rate payers. (Approximate annual cost \$43,400)

Sawmill Creek Road Recycle Center - VOTED DOWN BY THE SWAC

- If commingled recycling is selected the Sawmill Creek Road recycle center will not remain in operation.

Commingled Recycling - VOTED DOWN BY THE SWAC

- Will be mandatory for residential customers and commercial customers.
- Residential customers will be provided an additional can, 48 or 96 gallon for curbside pickup.
- Commercial customers will be provided a container depending on their situation and recycling needs.
- The contractor will collect the recycling can every other week.
- Curbside recycling is available for all recycled products with the exception of glass. Glass products may be delivered by residents/businesses to a designated drop off site.

Scrap Yard

- Hours of operation and consumer rates will remain the same.
- CBS will pay for all costs to operate the scrap yard.
- CBS will receive 100% of all commodities received for the sale of scrap metal.



Frequently Asked Questions regarding the Upcoming City and Borough of Sitka Municipal Solid Waste Changes

- 1. Will there be an additional cost for Municipal Solid Waste (also known as garbage or trash), or will the cost remain the same as we are currently pay?** *City and Borough of Sitka (CBS) staff is projecting that the rates for municipal solid waste will have to be increased by approximately 21.3% to make the solid waste fund sustainable. This rate increase is based on adding NO additional services. Refer to the "Proposed Rates" table in the packet.*
- 2. Will there be an additional cost if we were to add a curbside recycling program?** *Yes, CBS staff is projecting that the costs of adding curbside recycling would increase the monthly proposed rates by approximately \$10.94. This would be added on to the proposed 21.3% increase for municipal solid waste to a total monthly cost to the customer. Refer to the "Proposed Rates" table in the packet.*
- 3. How often will the municipal solid waste (MSW) be collected?** *Municipal solid waste will be picked up every week just like it is currently.*
- 4. How often will the curbside recycling be collected?** *Every other week.*
- 5. Will my MSW pickup days remain the same?** *MSW pickup days should not change.*
- 6. What size of containers will we have for both curbside and MSW?** *The containers will be either 48 gallon, 96 gallon, or 350 gallon. If curbside recycle is the chosen option, every residential account will have two containers: two 48 gallons, one for recyclables and one for MSW or two 96 gallon container one for recyclables and one MSW. The commercial accounts will have an additional container for recycling depending on their situation and needs.*

7. **How will the curbside recycling work?** *Both residential and commercial accounts will put out the second container for an every-other-week pick-up of their recyclable materials.*
8. **What are the items that will be collected with curbside recycling?** *All recyclable material with the exception of glass.*
9. **Will curbside recycling be mandatory?** *Commingled recycling will be mandatory for all customers.*
10. **Will glass be included with the curbside recycling program? If not, what will I do with my glass?** *Glass will not be collected curbside. Glass has the potential to contaminate commingled loads of recycle and has no value. CBS will continue to have a drop off location. The glass will be ground up and repurposed to cover biosolids at the Sitka landfill.*
11. **If we have curbside commingled recycling will the Sawmill Creek Road recycle center remain open?** *No*
12. **Will the transfer station be open the same hours as it currently is?** *To reduce the customers rate by \$.02 per pound the contractor proposed a decrease in the number of days the transfer station will be open to the public. Their recommendation was to go from being open 6 days a week, Monday-Saturday, to 3 days a week, Thursday - Saturday.*
13. **Will there be any composting or any other additional programs?** *The community survey issued in April 2014 indicated a low interest in composting and other additional programs. Additional information is available at www.cityofsitka.com, Public Works Department, document titled 'Interim Solid Waste Management Plan Report'.*
14. **Will there be changes for the Scrap Yard?** *Hours of operations and consumer rates will remain the same.*

MEMORANDUM

To: Solid Waste Advisory Committee

From: Michael Harmon, Public Works Director
Gary Baugher, Maintenance and Operations Superintendent
Jay Sweeney, Chief Finance and Administrative Officer

Date: September 15, 2015

Subject: Solid Waste Management Services contract award.

Background:

The Public Works Department advertised a Request for Qualifications (RFQ) for Solid Waste Management Services in accordance with City and Borough of Sitka (CBS) procurement and bidding policies. This RFQ sought qualified contractors to provide solid waste management services to include collection of refuse and recyclables, solid waste transfer, baling of recyclable materials (either source-separated or commingled), transport of waste and recyclables off-island, waste disposal, and processing/marketing of commingled recyclable materials.

Bids were opened for this project on April 17, 2015. Two responsive and responsible bids were received, as indicated in the following list:

Bidder
Alaska Pacific Waste Services (APES)
Alaska Waste

Analysis:

The bid contained different services, which could possibly come from different bidders. The attached spreadsheet shows the current cost and the bids from Alaska Pacific Waste Services (APES) and Alaska Waste. Public Works proposes to award a contract to APES for all services.

Recommendation:

Award a contract to Alaska Pacific Environmental Services (APES) for all aspects of the Solid Waste Management Services.

Solid Waste Management Proposal Evaluation

Monthly Rates

	Current Cost		Contractor #1		Contractor #2	
			APES		Alaska Waste	
	Without Commingled Recycling		Without Commingled Recycling	With Commingled Recycling	Without Comingled Recycling	With Commingled Recycling
32/48 Gallon Cart	\$	20.71	\$ 26.20	\$ 33.16	\$ 41.32	\$ 45.49
96 Gallon Cart	\$	32.31	\$ 43.14	\$ 43.81	\$ 52.42	\$ 56.40
350 Gallon Tub	\$	95.97	\$ 104.49		\$ 133.21	

Transfer Station Operation

Per Ton

	Current Cost		Contractor #1	Contractor #2
			APES	Alaska Waste
Current Operation	\$	32.30	* \$27.98	\$ 34.00

*Assumes reducing days of operation from 6 days per week to 3 days per week

MEMORANDUM

To: Solid Waste Advisory Committee

From: Michael Harmon, Public Works Director
Gary Baugher, Maintenance and Operations Superintendent
Jay Sweeney, Chief Finance and Administrative Officer

Date: September 15, 2015

Subject: Solid Waste Management Services contract award – Commingled Recycling

After reviewing the proposal for the Solid Waste Management Services it is apparent consumer rates will need to increase to cover the cost of the service. The attached spreadsheet utilizes our current rate structure with an increase of 21.3% for both residential and commercial users.

The current Solid Waste Management Services contract does not offer curb side commingled recycling. The attached spreadsheet shows the rate increase of \$10.94 in addition to the proposed 21.3% increase if curb side commingled recycling was added to the Solid Waste Management contract. Commingled recycling will include all recyclable material with the exception of glass. A drop off location will still remain in operation for the recycling of glass products.

The recycling drop off center at 802 Sawmill Creek Road will not remain in operation if commingled recycling is selected.

Recommendation:

Award the Solid Waste Management Services contract with the proposed rate structure including commingled recycling.

OR

Award the Solid Waste Management Services contract with the proposed rate structure without commingled recycling.

Solid Waste Management Proposal Evaluation

Proposed Rates

Proposed Rate Structure					
	Current Rates	Rates Without Commingled Recycling		* Rates With Commingled Recycling	
	Customer Rate	Increase Amount from Current Rate	Customer Rate	Increase Amount from Current Rate	Customer Rate
32/48 Gallon Cart	\$ 25.00	\$ 5.32	\$ 30.32	\$ 16.26	\$ 41.26
96 Gallon Cart	\$ 42.00	\$ 8.94	\$ 50.94	\$ 19.88	\$ 61.88
Apartments/Harbor	\$ 38.00	\$ 8.09	\$ 46.09	\$ 19.03	\$ 57.03
Islands	\$ 19.00	\$ 4.04	\$ 23.04	\$ 14.98	\$ 33.98
350 Gallon Tub	\$ 170.00	\$ 36.18	\$ 206.18	\$ 47.12	\$ 217.12

* NOTE: Residential rates are increased \$10.94 for the addition of curbside commingled recycling.

MEMORANDUM

To: Solid Waste Advisory Committee

From: Michael Harmon, Public Works Director
Gary Baugher, Maintenance and Operations Superintendent
Jay Sweeney, Chief Finance and Administrative Officer

Date: September 15, 2015

Subject: Solid Waste Management Services – Transfer Station operation

The Solid Waste Management Services contract currently operates a Transfer Station located at 101 Jarvis Street, 6 days a week, Monday – Saturday, for refuse disposal. Residential customers that pay a monthly refuse on their current utility bill for road side pickup are able to utilize an additional 200 pounds of free disposal a month when delivered to the Transfer Station.

An alternative rate has been proposed to operate the Transfer Station by decreasing the days of operation from 6 days per week to 3 days per week, Thursday – Saturday and discontinuing the 200 pounds free disposal for residential customers. See attached spreadsheet for rates.

Recommendation:

Maintain the Transfer Station operation of 6 days a week and keep 200 pounds free disposal for residential customers.

OR

Reduce the Transfer Station operation from 6 days to 3 days a week and remove 200 pounds free disposal for residential customers.

Transfer Station Operation

Per Ton

Calculated from APES proposal

Current Cost/Rates

	Contractor Cost	Customer Rate
Current Operation	1.6 cents/lb	6 cents/lb

Proposed Cost/Rates

	Contractor Cost	Customer Rate
	2.1 cents/lb	8 cents/lb

Proposed Alternate

	Contractor Cost	Customer Rate
Decrease operation from 6 to 3 days	1.4 cents/lb	6 cents/lb
Discontinue 200 pounds free disposal for residential	1.4 cents/lb	6 cents/lb
Decrease days to 3 and remove 200 pounds free	1.4 cents/lb	6 cents/lb

Tori Fleming

From: Mooney, Philip W (DFG) <phil.mooney@alaska.gov>
Sent: Wednesday, September 30, 2015 10:50 AM
To: Mellissa Cervera-Bean; danderson@akpacific.com; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; 'hackett.phyllis@gmail.com'; maclanekerry@yahoo.com
Cc: Tori Fleming; John P. Sweeney; Mark Gorman; Michael Harmon; Gary Baugher
Subject: RE: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

All-

I regret I cannot make the meeting tonight. I do appreciate that others have sent in comments so I can focus mine a little better:

1-All aside, I am a supporter of recycling. I also support common sense across the board and often am frustrated that it takes ordinances and regulations with enforcement because common sense seems to have been lost. While I consider Sitka a progressive thinking community on many fronts, we, as a community have not been so when it comes to bears/garbage or even ravens/garbage. Many individuals of this community have put forth considerable time and effort to solving and reducing the ability of bears, ravens, dogs, wind, etc. from scattering garbage across the landscape, as well as reducing the habituation of animals to it as a food source. I give a lot of credit to Public Works and other City staff, SCS, Straiger-Pacific Waste, and other organizations/individuals throughout the last three decades to change that situation by collaboration on equipment design, ordinances, pick-up schedules, and other adaptations. I don't know how many hours SPD has put in on bear calls and/or the bear/trash ordinance enforcement efforts over the last 3-4 years, but it has to be significant. If you consider the diversion of limited SPD staff/coverage to tackle the majority of calls in the evening-night-early morning hours with progress towards a successful resolution (that should result in a reduction of this effort over time), we (the community) do not have much to show for that effort and money. Believe me, I appreciate what SPD staff have been doing and how frustrating it is for them to go out an "chase" bears through the neighborhoods night after night.

This was the scenic route I took to second Andrew Thoms's third comment point of recycling /bears. I'll expand that to more than just bears. All of us have seen ravens scattering garbage from upright totes and 350 gal cans where the lids are flipped open/caught by the wind or stuffed too full to close. If we want a second container we need to solve the original issue; both in engineering design, pick-up strategy to minimize the exposure of recyclables/trash, and community attitude.

2-I have nothing but kudos for the operation of the transfer station and the accessibility of it by the public. That said, I don't have enough information to comment on 3-4 day closure but am open to ideas about efficiency if that is the question. I recognize that efficiency doesn't necessarily dovetail with accessibility and this is particularly a sensitive issue if you have some waste you need to discard outside of normal neighborhood pick-up. That's why I think the City/community does get a fair and positive "return" for the "free" 200 lbs monthly (delivered) to the transfer station. Some of you would be surprised at how much trash is dumped in harbor/city/parks/boat launch/Starrigavan campground...and not to mention road turnouts, Nelson Logging road, Granite Creek, Sandy Beach, Green lake road, etc. I think eliminating the "potential" 200 lbs will cost the community more in what will likely result in more dumping behavior. Again, I think overall this is a small portion of community residents that dump garbage like this, but the clean-up costs do affect the greater community as well as contribute to bear/raven issues too.

I appreciate the dialogue and work and different viewpoints towards practicable solutions. Thanks.

Phil

From: Mellissa Cervera-Bean [mailto:mellissa.cervera@cityofsitka.org]
Sent: Tuesday, September 29, 2015 11:52 AM
To: danderson@akpacific.com; Mooney, Philip W (DFG); rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; 'hackett.phyllis@gmail.com'; maclanekerry@yahoo.com
Cc: Tori Fleming; John P. Sweeney; Mark Gorman; Michael Harmon; Gary Baugher
Subject: FW: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Hello everyone,

Please see Kerry Maclane's comments/questions below.

From: Kerry MacLane [mailto:maclanekerry@yahoo.com]
Sent: Tuesday, September 29, 2015 11:40 AM
To: Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>
Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Please forward to Gary and the SWAC group:

Filling in for Michelle Putz on SWAC, I had some questions. I understand that the time constraint may preclude getting this information prior to tomorrow's meeting.

I'm mainly interested in the jobs/economic development aspect of the commingled recycling.

At present a very small percentage of our municipal solid waste (MSW) is voluntarily recycled and sent pre-sorted to Washington. The commingled program would pay an Alaska firm to collect a much larger % of our MSW as mixed recyclables and ship to Washington. In the packet for tomorrow's meeting we are shown expenses but no income or waste data. So, here are some of my questions:

Will the comingled recycling result in jobs in Sitka?

What is the extra recycling cost for? Another set of containers? Another truck?

After these initial expenses, can we expect this cost to decrease by the next bid cycle in 2 years? (Assuming the value of the recycled materials remains the same as it is now.)

What is the anticipated increase in the percentage of the MSW that will be recycled?

What are the estimated savings realized for shipping less waste to the landfill and more recyclables and are they incorporated into the proposed costs?

Kerry E. MacLane
P.O. Box 1665, Sitka, Alaska 99835
907.747.7888, office
907.752.0654, cell

On Monday, September 28, 2015 8:39 AM, Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org> wrote:

Kerry,

please see Leah's questions and Gary's response down below.

Mellissa

From: Gary Baugher

Sent: Friday, September 25, 2015 10:38 AM

To: Leah Mason <nosam.m.hael@gmail.com>; Tori Fleming <tori.fleming@cityofsitka.org>

Cc: Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>; danderson@akpacific.com; phil.mooney@alaska.gov; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; istelzen@gmail.com; jonathan.s.kt@gmail.com; Michael Harmon <michael.harmon@cityofsitka.org>; John P. Sweeney <jay.sweeney@cityofsitka.org>; hackett.phyllis@gmail.com

Subject: RE: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Leah,

I tried to answer your questions below. If you have any other questions do not hesitate to e-mail or call. Thanks!

From: Leah Mason [<mailto:nosam.m.hael@gmail.com>]

Sent: Friday, September 25, 2015 3:08 AM

To: Tori Fleming <tori.fleming@cityofsitka.org>

Cc: Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>; danderson@akpacific.com; phil.mooney@alaska.gov; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; istelzen@gmail.com; jonathan.s.kt@gmail.com; Gary Baugher <gary.baugher@cityofsitka.org>; Michael Harmon <michael.harmon@cityofsitka.org>; John P. Sweeney <jay.sweeney@cityofsitka.org>; hackett.phyllis@gmail.com

Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Dear Gary,

Am I correct in thinking that the major change between this month's packet and last month's packet is the decision to cease operations of the recycling center in exchange for commingled recycling at the curbside?

This is one of the items that has changed. We will still have the need for a drop center for the glass as it will not be collected in the curbside recycle program. There were also some adjustments in the proposed rate structure spreadsheet. The adjusted proposed rate structure numbers are also reflected in the questions and answer pages.

Is there any additional information available regarding reasoning/rationale for this change? If it is decided by the SWAC Group to go with co-mingled recycle then there will probably not be a need for the drop off center with the exception of glass drop off. If it is decided to stay with status quo then we will need to keep the recycle center open as it is currently.

Thanks in advance,
Leah Mason

On Sep 24, 2015, at 1:23 PM, Tori Fleming <tori.fleming@cityofsitka.org> wrote:

Good afternoon,

Document for the Solid Waste Advisory Committee meeting for September 30, 2015 are attached.

Thanks you,
Tori

Tori Fleming
Contract Coordinator
City and Borough of Sitka
100 Lincoln St, Sitka, AK 99835
907-747-1803
907-747-3158 fax

tori.fleming@cityofsitka.org

****Please update your address book to reflect my new email address****

<SWAC packet 9.23.15.pdf>

Tori Fleming

From: Mellissa Cervera-Bean
Sent: Wednesday, September 30, 2015 12:16 PM
To: Mooney, Philip W (DFG); danderson@akpacific.com; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stahinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; 'hackett.phyllis@gmail.com'; maclanekerry@yahoo.com
Cc: Tori Fleming; John P. Sweeney; Mark Gorman; Michael Harmon; Gary Baugher
Subject: FW: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

All,

Please see Kerry's email below.

From: Kerry MacLane [mailto:maclanekerry@yahoo.com]
Sent: Wednesday, September 30, 2015 11:59 AM
To: Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>
Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

For the SWAC;

- Overall:

Typically when communities institute curbside recycling the amount of MSW decreases and the amount of recyclables increases over time as it becomes a community norm. (This results in cost savings.) I believe the SWAC should support the recycling bid because, taking the long view, it is the **right thing to do**. It is highly unlikely the Assembly will approve the recycling component because it is coming on top of a 21% increase.

- Recycling Jobs (checking for understanding):

The contract jobs of bundling the recyclables would increase (more material = more labor).

Picking up recyclables will require additional labor.

Reduced hours at the Transfer Station would reduce jobs there but the employees would likely be used in other aspects of the contractor's operation.

A city employee would do the scrap metal/car recycling (costs offset by metal sales).

- Reduced Services:

The 200 "free" lbs/mo at the Transfer Station should not be discontinued. It is not really free, it incorporated into the cost of doing business and discourages illegal dumping. If hours are to be reduced at the Transfer Station they should be half days, thus allowing businesses (contractors, etc.) to function efficiently. In 2013 28% of MSW hauled to the Transfer Station is "self-hauled (2014 CBI report).

- Bears:

Recycling should be treated like garbage is now to avoid bear problems.

Kerry E. MacLane
P.O. Box 1665, Sitka, Alaska 99835
907.747.7888, office
907.752.0654, cell

On Wednesday, September 30, 2015 8:25 AM, Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org> wrote:

Please see Jonathan Kreiss-Tomkins email below.

From: Jonathan Kreiss-Tomkins [<mailto:jonathan.s.kt@gmail.com>]

Sent: Wednesday, September 30, 2015 3:10 AM

To: andrew thoms <andrew@sitkawild.org>

Cc: Tori Fleming <tori.fleming@cityofsitka.org>; Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>; danderson@akpacific.com; phil.mooney@alaska.gov; Richard Parmelee <rjparmelee@gmail.com>;

michelleputz@yahoo.com; Carolyn Servid <twojuncos@icloud.com>; stashinc@ymail.com; Scott Brylinsky <scottbrylinsky@gmail.com>; Mike Litman <precisionboat@gmail.com>; Jay Stelzenmuller <jstelzen@gmail.com>; Leah Mason <nosam.m.hael@gmail.com>; Gary Baugher <gary.baugher@cityofsitka.org>; Michael Harmon <michael.harmon@cityofsitka.org>; John P. Sweeney <jay.sweeney@cityofsitka.org>; Phyllis Hackett <hackett.phyllis@gmail.com>

Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

There's no doubt that the proposal for curbside recycling is dead on arrival.

I think this may be partly attributable to how these rates are framed.

For both 48-gallon or 96-gallon households, curbside recycling is an extra \$11. That's unacceptable. DOA.

But let's critically analyze the units we're talking about.

In the curbside recycling scenario, a Sitka household gets a 48-gallon cart emptied every week plus a second 48 gallon emptied every other week for \$41.26/mo. In effect, the customer gets 72 gallons (average) of total waste trucked away every week.

(I'm assuming 48-gallon carts because my understanding is that those 32-gallon carts were improvised as a temporary situation and are being phased out. If this assumption is inaccurate, the logic of what follows is weakened.)

Households that get 96 gallon of waste trucked away every week under the current system are going to get 144 gallons (average) of waste trucked away every week.

My point on framing is if we look *inclusively* at these numbers and these units, their meaning changes.

Sitka has 2,704 residential solid waste customers. 69 percent (1,876 households) use 96-gallon containers and generate up to 96 gallons of waste/weekly. The way these rates are framed and visually laid out, it's easy to presume that all 1,876 of these 96-gallon/week households will chose to pay for 144 gallons waste/week capacity.

Let's consider this presumption.

If Sitka opts for curbside recycling, these 96-gallon/week households will have a choice. Some will opt for 144 gallons/week of waste capacity. Some will opt for 72 gallons/week.

This is the important part: for those 96-gallon/week Sitka households that chose to go from 96 gallons/week to 72 gallons/week (instead of 144 gallons/week), they will **save money** with a curbside recycling program.

If these 96-gallon/week households choose to pay for 144 gallons/week of waste capacity, they will **pay more money** under a curbside recycling program.

Again, some of these 96-gallon/week households will chose to go to 72 gallons/week; some will chose to go to 144 gallons/week.

How many to each?

Make your own estimate.

I made a recycling spreadsheet-calculator just for the occasion.

Type in your estimate in cell J-10, and watch the other numbers on the spreadsheet change. Like magic!

Statistics (assuming a Gaussian distribution, a.k.a. "bell curve") would suggest a .66/.33 split between 72 gallon/144 gallon.

If we chose a curbside recycling scenario and assume a .66/.33 split, 54% of Sitkans would see their solid waste bills increase and 46% would see their solid waste bills decrease (relative to a status quo system).

I encourage you to play around with the calculator in advance of this evening's meeting.

In addition, there are two factual questions, the answers to which will affect my own perspective on whether we as a community should pursue curbside recycling:

- What is the assumed diversion rate in the curbside recycling scenario, and how does an increased or decreased diversion rate (relative to assumed diversion rate) affect revenues, and would increased or decreased revenues (relative to assumed revenues) affect rates?
- Does the City still pay a contractor (e.g., the role Norm Campbell was hired to fill for years) to manage the recycling drop-off center? If so, how much is the contract, and is contract paid with Solid Waste Fund money?

A big thanks to the Public Works Department for moving us along this far. We're close!

Jonathan

On Wed, Sep 30, 2015 at 12:52 AM, [andrew thoms <andrew@sitkawild.org>](mailto:andrew.thoms@sitkawild.org) wrote:

All:

I'm out of town and won't be at the meeting today.

I did want to pass along some of my comments:

- 1) On the co-mingled proposal, I'm not seeing where the benefits are weighing out costs on this. Generally I'm all for recycling but I recognize that some part of recycling is to catalyze the markets to utilize recycled materials and then demand for those materials increases and become valuable or pay for themselves. I don't think that as a community Sitka is big enough to affect that change. At \$10/month increase for putting together a co-mingled recycling program and picking up at each house, I don't think it works right now.
- 2) On the mandatory nature of the co-mingled recycling: I don't know how this would work. We have had a lot of issues over the past years trying to figure out how to enforce a garbage/bear ordinance and haven't necessarily been successful with enforcement.
- 3) On the issue of recycling and bears: I think that environmentally, we would be creating a larger problem if we pursued mandatory co-mingled recycling than we would solve environmental problems. Having another container along the streets with 2 weeks of garbage would just create more potential for attracting bears. Whether it is grease on pizza boxes, sauce in the bottom of

aluminum cans, or fermenting juice in plastic jugs, there will inevitably be waste food and smells that bring in bears. It only takes one experience and next every recycling toter on the street is tipped over and contents are spread along the road as the bear (plus cubs even), looks for more of that...

4) Transfer Station Closed 3-4 working days of the week: I'd like to know more about how much the transfer station is used Monday to Thursday and how its closure on those days might affect those users. I'd assume that the people using it those days are businesses and if there is a heavy volume those days, would they have to stop working or delay? I'm especially thinking about builders who might be hauling waste those days. If someone looked at who the users are and they can work around it, I could live with it but I would hope that there would be a bit of analysis.

5) First 200 pounds free/ or with fees: I am not in support of getting rid of the first 200 pounds free. This was put in place to encourage people to use the transfer facility rather than dumping along roads or in parks (which then could become other costs to the city). I think that this is still needed.

6) Recycling Program: I believe it should stay as-is with people dropping off cardboard, plastics, glass, aluminum, and tin at the current facility.

I hope that you all can integrate these comments into the discussion and I am sorry that I can't be there.

Andrew

Andrew Thoms
Executive Director
Sitka Conservation Society
Box 6533 Sitka, Alaska 99835
SCS Office: Phone: (907)747 7509 Fax: (907)747 6105
email: andrew@sitkawild.org Web: www.sitkawild.org



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Please, join or renew your membership today.

For over 45 years, Sitka Conservation Society has been protecting the Tongass and building more sustainable communities with the support of members like you.

From: Tori Fleming [mailto:tori.fleming@cityofsitka.org]

Sent: Thursday, September 24, 2015 1:23 PM

To: Mellissa Cervera-Bean; danderson@akpacific.com; phil.mooney@alaska.gov; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; scottbrylinsky@gmail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; Gary Baugher; Michael Harmon; John P. Sweeney; 'hackett.phyllis@gmail.com'

Subject: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Good afternoon,

Document for the Solid Waste Advisory Committee meeting for September 30, 2015 are attached.

Thanks you,
Tori

Tori Fleming
Contract Coordinator
City and Borough of Sitka
100 Lincoln St, Sitka, AK 99835
907-747-1803
907-747-3158 fax
tori.fleming@cityofsitka.org

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This email has been checked for viruses by Avast antivirus software.
www.avast.com

Tori Fleming

From: Leah Mason <nosam.m.hael@gmail.com>
Sent: Wednesday, September 30, 2015 8:17 AM
To: Jonathan Kreiss-Tomkins
Cc: andrew thoms; Tori Fleming; Mellissa Cervera-Bean; danderson@akpacific.com; phil.mooney@alaska.gov; Richard Parmelee; michelleputz@yahoo.com; Carolyn Servid; stashinc@ymail.com; Scott Brylinsky; Mike Litman; Jay Stelzenmuller; Gary Baugher; Michael Harmon; John P. Sweeney; Phyllis Hackett
Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

Dear all,

The meeting tonight conflicts with the arrival of my mother (after close to 24 hours in transit). So, upon reflection on the timing I'm going to have to miss the meeting too. Need to get her home and into bed.

My comments on where we're at are necessarily short- lucky you!

I agree with Jonathan - the existing framing is problematic. Thanks for putting in the time to put together the calculator, Jonathan.

Aside from that:

1. It is always going to be cheaper to move to recycling earlier rather than later. The cost of the transition will not get magically smaller if we wait.
2. With a declining tax base, there may not be another opportunity to get it done.
3. Education was always going to be a key point in making commingled work. The existing bear problem would benefit from a wide-scale program about food waste.
4. We're moving closer at the international level, to getting a system in place for costing and managing greenhouse gasses and this will target methane pretty quickly. Our unsorted waste will start attracting penalties for whomever is taking it and that is likely to add costs or end the contract. Something to keep in mind.

Please accept my apologies for not being able to be there,
Leah Mason

On Sep 30, 2015, at 3:09 AM, Jonathan Kreiss-Tomkins <jonathan.s.kt@gmail.com> wrote:

There's no doubt that the proposal for curbside recycling is dead on arrival.

I think this may be partly attributable to how these rates are framed.

For both 48-gallon or 96-gallon households, curbside recycling is an extra \$11. That's unacceptable. DOA.

But let's critically analyze the units we're talking about.

Mellissa Cervera-Bean

From: Scott Brylinsky <scottbrylinsky@gmail.com>
Sent: Monday, September 28, 2015 8:09 AM
To: Gary Baugher
Cc: Tori Fleming; Mellissa Cervera-Bean; danderson@akpacific.com; phil.mooney@alaska.gov; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; Michael Harmon; John P. Sweeney; hackett.phyllis@gmail.com
Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

To All,

I am out of state this week. My comments on the packet:

First, I would like to thank Public Works for putting together thorough and well thought out materials for our consideration.

As far as the decision points before us, my overall opinion is that we should stay with the existing system, rather than add commingled recycling, and/or reduced transfer station hours and elimination of the free disposal of 200 pounds/ mo.

Reasons are:

1) Reduced transfer station hours and eliminating 200 pounds free disposal: My concern is that if these are put into place the community would experience increased illegal dumping along side roads throughout the road system. High expense to clean up and a lot more trash along side roads that wouldn't get cleaned up.

2) Mandatory commingled recycling: the community generally does not accept "mandatory" anything unless there is a life-safety component. Who will enforce and how will they enforce? I believe commingled recycling would, for practical purposes, remain a voluntary program. I'm concerned that long-term diversion rates would not be materially improved enough over the current system to justify the higher costs.

I, personally, would welcome the program. But I also believe the additional monthly fee for "commingled," along with multiple rate increases for other services in the coming years will financially stress many households, and where we have a choice we should not be adding costs.

Thanks to all for your hard work,
Scott Brylinsky

On Monday, September 28, 2015, Gary Baugher <gary.baugher@cityofsitka.org> wrote:

Thanks Scott!

From: Scott Brylinsky [mailto:scottbrylinsky@gmail.com]

Sent: Friday, September 25, 2015 6:03 PM

To: Tori Fleming <tori.fleming@cityofsitka.org>

Cc: Mellissa Cervera-Bean <mellissa.cervera@cityofsitka.org>; danderson@akpacific.com; phil.mooney@alaska.gov; rjparmelee@gmail.com; andrew@sitkawild.org; michelleputz@yahoo.com; twojuncos@icloud.com; stashinc@ymail.com; precisionboat@gmail.com; jstelzen@gmail.com; nosam.m.hael@gmail.com; jonathan.s.kt@gmail.com; Gary Baugher <gary.baugher@cityofsitka.org>; Michael Harmon

<michael.harmon@cityofsitka.org>; John P. Sweeney <jay.sweeney@cityofsitka.org>; hackett.phyllis@gmail.com

Subject: Re: Packet for Solid Waste Advisory Committee (SWAC) Meeting on September 30, 2015

I will be out of state next week.

Will send in any comments I have.

Thanks,

Scott

On Thu, Sep 24, 2015 at 1:23 PM, Tori Fleming <tori.fleming@cityofsitka.org> wrote:

Good afternoon.

Document for the Solid Waste Advisory Committee meeting for September 30, 2015 are attached.

Thanks you,

Tori

Tori Fleming

Contract Coordinator

City and Borough of Sitka

100 Lincoln St, Sitka, AK 99835

907-747-1803

907-747-3158 fax

tori.fleming@cityofsitka.org

****Please update your address book to reflect my new email address****



Legislation Details

File #: 15-205 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/20/2015 In control: City and Borough Assembly

On agenda: 10/27/2015 Final action:

Title: Approve Mayor McConnell signing a coalition letter to President Barack Obama in support of continued climate action

Sponsors:

Indexes:

Code sections:

Attachments: [Coalition Letter](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE to approve Mayor McConnell signing a coalition letter to President Barack Obama in support of continued climate action.

Sara Peterson

From: Mim McConnell (Assembly)
Sent: Tuesday, October 20, 2015 10:26 AM
To: Sara Peterson
Subject: Fwd: Mayors Coalition Letter

Hi Sara,

I'd like to get the assembly's permission to sign this letter. This would be on Tuesday's agenda.

Thanks,

Mim

Mim McConnell, Mayor
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
907-747-2860 (p/f) 907-738-2888 (c)
www.cityofsitka.com<<http://www.cityofsitka.com/>>
Coast Guard City, USA

----- Forwarded message -----

From: "Emma Thornton" <ethornton@environmentamerica.org>
To: "Mim McConnell" <assemblymccconnell@cityofsitka.com>
Subject: Mayors Coalition Letter
Date: Tue, Oct 20, 2015 12:57 PM

Mayor McConnell,

It was great to speak with you today! Thank you for your consideration of signing onto the coalition letter. I understand that it's a lengthy process to gain the support of the assembly in making big decision such as this. I'm looking into extending the deadline for you so the city has sufficient time to review the details and come to a conclusion. In the meantime, I just wanted to send you more information (and a copy of my original email) regarding the letter so the board knows more about the proposal.

Just as an overview, The Clean Power Plan was just finalized, and we need the federal government to provide a path forward to making meaningful reductions in carbon pollution while preparing for the impacts of climate change. As you know, the effects of global warming are seen especially in Alaska in the form of receding glaciers, eroded shorelines, and rising seas. We'd like to make sure that President Obama stands strong for global climate action at the UN's Climate Talks in Paris later this year. That's why Mayor Eric Garcetti of LA has started reaching out to mayors around the country to sign onto his Climate Action agenda.

We're asking mayors to sign onto this letter we've organized with Mayor Garcetti to encourage the President to take strong action in Paris.

Please let me know if you or any other members have any questions!

Again, thank you for your consideration,

Emma

Hi Mayor McConnell,

From wildfires on the west coast or superstorms in the east, across the country the growing impact of unchecked global warming is clear. And as mayor you're on the frontline of climate change—both the impacts and the solutions.

Luckily in August, the U.S. Environmental Protection Agency finalized the Clean Power Plan, a national action to cut carbon pollution from power plants. This is a major step forward to combat climate change. When the U.S goes to the Paris Climate Conference in December, our representatives will need the support for continued climate action.

We're working to get mayors to sign onto [a letter](#) in support of climate action. Will you be willing to add your name to this letter?

Thanks for all that you do!

Emma Thornton
Environment America
ethornton@environmentamerica.org

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You are receiving this email because you have taken action on global warming with Environment America in the past.

Our mailing address is:
Environment America
294 Washington St
Suite 500
Boston, MA 02108

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You can [update your preferences](#) or [unsubscribe from this list](#)



September XX, 2015
President Barack Obama
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

As Mayors of 2X cities representing 20 million Americans, we write to thank you for your leadership on climate mitigation and resilience. As you said in your State of the Union speech, “No challenge poses a greater threat to future generations than climate change.”

We are writing to call on you to act in the best interests of the American people and fight for the strongest possible climate agreement at the upcoming 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in Paris, and for federal action to establish binding national greenhouse gas emissions reductions here at home. The United States can and should be the leader in the transition to a clean energy economy, and we applaud the Clean Power Plan as an important step toward that end.

To support your leadership and assist you and the U.S. delegation in reaching the strongest possible agreement, we have launched a campaign to engage with our constituents, elected officials and other stakeholders to help achieve these strong outcomes at the national and international levels, while building on municipal leadership on climate change.

As Mayors, we understand that we are stronger working together. That is why we came together around the U.S.-focused Mayors National Climate Action Agenda (MNCAA) to help lead the way to a solution to global climate change. A changing and variable climate has tremendous implications for the livability, competitiveness and resilience of communities across the country. The extreme weather events we have all increasingly experienced in recent years and the future projections we face make it clear that we all share a common risk and commitment to safeguarding our communities.

The MNCAA is a mayor-to-mayor initiative to raise the collective voice of leading mayors, demonstrate the essential role of cities in working towards climate solutions, and build political will for U.S. leadership. This initiative, established by the Mayors of Houston, Los Angeles and Philadelphia, includes the undersigned, and will continue to grow.

The negotiations in Paris will be as challenging as they are critical to our cities’ environmental health and economic prosperity.

Cities across the country are already taking the lead. The cities we represent are working to take responsible steps to curb emissions and plan for the changing climate. Many of our cities have reached Kyoto commitments far ahead of states and the national government, and cities across the country are committing to binding targets, creating standardized inventories and climate action plans and laying the ground work for a municipal offset protocol. But we cannot act alone. We need the federal government to provide a path forward to making meaningful reductions in carbon pollution while preparing for the impacts of climate change.

Despite the dangerous and irresponsible stalemate in Congress, climate change is not a policy debate in communities all across the United States. The effects of a changing climate are presenting a clear and present threat. Extreme weather is presenting itself more regularly, though it takes many forms—from droughts in the west, wildfires in the intermountain states, to flooding and snow storms in the east and coastal erosion in the Gulf states.

Around the world, over 150 mayors have signed on to the Compact of Mayors, bringing together an international effort pushing similar goals across the globe. Momentum is building for international coordination, as exemplified by the recent signing of the U.S.-China Climate Leaders Declaration by XX subnational leaders representing XX cities, states and

provinces. COP21 represents a prime opportunity for American leadership on a global scale. We recognize that local governments have a major role to play in reducing greenhouse gas levels, including ambitious implementation of the Clean Power Plan. We are encouraged that there is interest on the part of COP 21 for having language in the final agreement that specifically pertains to cities.

The time for strong U.S. action is now. We look forward to standing with you here at home and in Paris to bring leadership and focus to the reality of climate change and to urge national dialogue and action.

Sincerely,

YOUR NAME
CITY, STATE